

**INDIANA  
LOW INCOME HOME ENERGY  
ASSISTANCE PROGRAM**

**PROGRAM OPERATIONS MANUAL  
2011-2012**

**Prepared By:**

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**Indiana Housing & Community Development Authority**

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# **The Energy Assistance Program**

## **2011 Program Operations Manual**

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# **The Energy Assistance Program 2012**

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The Low-Income Home Energy Assistance Program (LIHEAP) Block Grant is a federally funded block grant offered through the U.S. Department of Health and Human Services (HHS). The LIHEAP Block Grant provides funds to individual states to assist low-income families with the high cost of home energy. Since July 1, 2006 the block grant has been administered by the Indiana Housing and Community Development Authority (IHCDA). The program is managed by the agency's Department of Energy Programs. Throughout Indiana, this program is known as the **Energy Assistance Program (EAP)**.

Last year, the basic federal LIHEAP award to Indiana was \$102.7 million dollars. It was appropriated April 15, 2011. In addition, Indiana received \$4.8 million dollars in federal contingency (emergency) funds. They were released on January 25, 2011. As of September 1, 2011, the budget for FY 2012 has not been approved by Congress.

Community Action Agencies (CAAs) are designated by federal regulation and under contract with the IHCDA as the local agencies administering the Energy Assistance Program. Twenty-three (23) CAAs throughout the State will take applications; either in person, through a mail-in process, or through another subcontractor from all households requesting energy assistance. CAAs are responsible for eligibility determination and timely submission of payment transmittals to vendors.

The Energy Assistance Program will treat all households equitably when determining eligibility. The program will serve low-income households subject to an energy burden. The program will respond promptly to eligible households with a heating emergency. EAP can provide benefits to off-set the high costs of energy, but does not traditionally have the funds available to pay all of a household's energy costs.

IHCDA will render technical assistance to the CAAs for continued program support. Should you have any questions concerning this program, please contact Taura Edwards, EAP and CSBG Program Manager at (317) 234-5825, or call:

Indiana Housing and Community Development Authority  
Toll Free: 1-800-872-0371

## APPLICATION DATES

The Energy Assistance Program will begin sending early mail-in applications to "at-risk" households and/or households determined needy by local CAAs on September 1, 2011. Those approved applications may be entered into the RIAA system starting on October 1, 2011. Beginning October 3, 2011, CAAs should begin taking appointments for the start of the program on November 1, 2011. There will be no early sign-up in October for "at-risk" or crisis households. Rather, all interested persons may seek application beginning November 1, 2011. Agencies should schedule daily appointments as part of their intake process. No transmittals should be sent to utility vendors, nor Applicant Notifications sent to clients, prior to November 1, 2011.

A statewide program ending date for Heating/Crisis Assistance component has been established as May 15, 2012, or when heating funds are depleted, whichever comes first. A Cooling Assistance Program will operate from June 4, 2012 through August 31, 2012.

## APPLICATION SITES

A household may apply for Energy Assistance Program through:

- a local CAA serving their county;
- a Township Trustee or other CAA subcontractor who has received training from their local CAA and has agreed to take applications; or
- the mail-in application process.

IHCDA must be informed of all local application sites, addresses, phone numbers, and times of operation by September 30, 2011.

A major area of concern is the processing of applications for the "at-risk" households (including, homebound): households with members who are the elderly, the disabled, and families with children under 6 years of age. Contact by mail is the recommended option for taking applications in areas where travel is difficult and the applicant does not have family or neighbor support to make an application for them. The mail-in application procedure was developed to alleviate the hardship of applying in person. CAAs should integrate the mail-in procedure with the usual face-to-face program application procedure to alleviate early season congestion.

## **MORATORIUM**

The Indiana General Assembly has enacted Indiana Code 8-1-2-121 governing the termination of natural gas and electric service without the customer's request. This law, which first became effective in 1983, states that a utility (municipally-owned, privately-owned or cooperatively-owned) may not, during the period from December 1 through March 15 of any year, terminate residential utility service to any customer who is eligible for and who has applied for the Energy Assistance Program.

Utilities may not disconnect service to EAP recipients if:

- the customer has submitted a complete application and eligibility has been determined by the local CAA or their subcontractor; and/or,
- the customer has furnished proof to the utility provider of his/her application to receive such benefits, or the local CAA has notified the utility in writing.

See the complete Utility Shutoff Moratorium in the Appendix.

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## SECTION 100

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### APPLICATION PROCESS

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The CAA, or its subcontractor, is obligated to review and determine EAP eligibility status for anyone requesting an application. Clients may not be denied the right to submit an EAP application by the CAA or any of its subcontractors.

When the household applies, it is incumbent upon the CAA to make a *timely* and *accurate* determination of the household's eligibility for benefits. After November 1<sup>st</sup>, households must be notified in writing of their eligibility and the amount of their benefit, or their denial within ten (10) working days of the application's completion.

#### 101 APPROVED APPLICATIONS

A household applies for benefits on the Energy Programs Application form (State Form 14381) which combines the EAP and the Weatherization Assistance Program application. The applications have been combined to ensure that those clients who have high heating costs are referred to Weatherization services. Any household whose application indicates that Weatherization services are needed, such as indicated by a high point total on the 2012 Benefit Matrix scale, must have the application and copies of the income verification passed on to the Weatherization department of the CAA.

The CAA must ensure that applications are complete and that all applications are signed by the applicant or household representative and the intake worker or authorized signatory of the CAA. If approved, the EAP benefit amount should be determined and recorded on the application. The household is to receive a copy of the application for their records showing that they have applied for benefits. The application is not to be sent to the vendor by the CAA. Additionally, all approved households should be given a "**Things for YOU to Remember**" Form (See Appendix A). A signed copy of this form should be placed in each client's file.

**Only approved applicants are protected from disconnection by the moratorium.**

## **102 DENIED APPLICATIONS**

If upon completion of the EAP application, a household is found to be over the income guidelines, or does not meet other criteria of the Energy Assistance Program, the household is ineligible for EAP benefits.

Within ten (10) working days of the completion of the application, an ineligible household must be notified in writing of the reason(s) for their denial and advised of their right to appeal the decision at the next level. The "**Applicant Notification**" form in Appendix B must be used to notify the applicant of their denial. CAAs must retain documentation of the household's ineligibility and appeal rights notification, in the client's files.

Households with income between 150% of poverty and 200% of poverty may qualify for weatherization services under the American Recovery and Reinvestment Act of 2009. Therefore, agencies should go ahead and complete those applications for possible referral to weatherization services although they would be ineligible for EAP.

## **103 CAA EMPLOYEE or SUB-CONTRACTOR APPLICATIONS**

Applications from households with members employed by the CAA or any of its subcontractors (i.e. Township Trustee) or by employee's family members or by any board of directors' member, they must have their application approved by the Executive Director of the CAA. Likewise, any family members of the Executive Director must have the application approved by an active board member.

## **104 LIFELINE / LINK-UP**

**Lifeline** – Lifeline provides qualified consumers with a discount on monthly service charges for their primary home phone line, even if it is a cell phone.

**Link-Up** – Link-Up lowers the cost eligible consumers pay for setting up new phone service at their home, including cell phone service.

The Energy Programs Application offers clients a reminder to contact their phone carrier for information about this program.

Approved EAP households qualify for Lifeline and Link-Up.

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## SECTION 200

### EAP BENEFITS AND SERVICES

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Financial eligibility for Energy Assistance benefits (heating, crisis, and summer cooling) is limited to households with a combined annual income at or below **150%** of the current Office of Management and Budget Poverty Guidelines. This is the eighth consecutive year households in Indiana may qualify for assistance with an income up to 150% of poverty.

A new benefit formula was implemented in 1998, which awarded the largest benefits to households with the highest energy costs and the lowest income levels based on family size. The formula was updated for FFY 2012 with the following changes. Thus heating benefit amounts are calculated by awarding points based on factors within five categories of a benefit matrix. These categories are: ***poverty level*** based on household size, ***dwelling type, housing status, at-risk*** (family) ***status***, and ***fuel source***. The amount of the benefit is computed at a rate determined by IHCD based on available funding and awarded on the benefit matrix, plus a regional differential, and an additional \$50 for the secondary utility needed to keep the heating system operational. A household may be eligible for an additional crisis benefit if the crisis eligibility requirements are met. The client may receive up to \$200 for regulated utilities or up to \$400 for non-regulated utilities, like bulk fuel, oil, or wood.

All renters where heat and electric are included-in-rent will not be eligible for an energy assistance benefit.

#### 201 HEATING ASSISTANCE BENEFIT LEVELS & HOUSEHOLD INFO

The benefit computation is completed using the **Energy Assistance Program Benefit Matrix** form (see Appendix C). The matrix sections and instructions follow:

##### 201.1 Household Information

Name of Head of Household:	
SSN or Case No.:	County:
Household Income:	Date of Application:

- Enter household and case identification as indicated.

## 201.2 Poverty Level Determination

The Poverty Points are determined by comparing the household's income level and size to the Poverty Guidelines. Points range from 2-6 based on where the household falls on the following chart.

HOUSEHOLD SIZE	<50% MO. YR.		<100% MO. YR.		<150% MO. YR.	
1	454	5,445	908	10,890	1,361	16,335
2	613	7,355	1,226	14,710	1,839	22,065
3	772	9,265	1,544	18,530	2,316	27,795
4	931	11,175	1,863	22,350	2,794	33,525
5	1,090	13,085	2,181	26,170	3,271	39,255
6	1,250	14,995	2,499	29,990	3,749	44,985
7	1,409	16,905	2,818	33,810	4,226	50,715
8	1,568	18,815	3,136	37,630	4,704	56,445
Add Member	159	1,910	318	3,820	557	5,730
POINTS:	6		4		2	

CATEGORY	FACTORS	POINTS POSSIBLE	POINTS AWARDED
Poverty Points	From Chart Above	2, 4, 6 points	

- Compute the household's gross annual income.
- Locate the point on the chart where the income and household size falls and circle the amount and the number of points to be awarded.
- Enter the number of points on the matrix under Poverty Points.
- Note: The OMB poverty guidelines were updated in June 2011.

The OMB Poverty Guidelines normally change in February of each year. If so, the updated guidelines will become effective in the EAP program on June 1<sup>st</sup> of each year. This will keep the guidelines the same for the entire heating program. The updated guidelines will be implemented with new applications for the Summer Cool and Summer Fill Programs each year.

## 201.3 Dwelling

Dwelling points are awarded based on the relative cost of heating three types of dwellings.

CATEGORY	FACTORS	POINTS POSSIBLE	POINTS AWARDED
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Dwelling	Mobile Home	2	
	Single, Site Built	2	
	Duplex or Greater	1	

- Award two (2) points if the household lives in a mobile home;
- Award two (2) points if the household lives in a single, site built dwelling;
- Award one (1) point for households living in a duplex or multiplex (apartments);
- Maximum points are two.

#### 201.4 Housing Status

Housing Status points are awarded to factor in whether the household is responsible for all of its utility costs or receives assistance in meeting those costs.

CATEGORY	FACTORS	POINTS POSSIBLE	POINTS AWARDED
Housing Status	Non-subsidized Housing	2	
	Subsidized/ Not Included	0	
	Subsidized / Included	0	

- Award two (2) points if the household pays its own heat utility costs (included or not).
- Award zero (0) points if the household pays its own heat utility cost but the rental cost is subsidized.
- Award zero (0) points if the household's heat utility cost is included in their rent and is subsidized.
- Maximum points are two.

#### 201.5 At-Risk

The At-Risk households for the Energy Assistance Program include the elderly (60+), the disabled, and those households with children 0 to 5 years old. (See Section 302.6)

CATEGORY	FACTORS	POINTS POSSIBLE	POINTS AWARDED
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At-Risk	Elderly, disabled, and/or children 0-5 years old	3	
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- Award three (3) points only if the household has a member who fits one of the At-Risk factor definitions.
- Maximum points are three.

## 201.6 Fuel Source

Points are awarded for the primary Fuel Source based on the relative costs of heating with the various types of fuel.

CATEGORY	FACTORS	POINTS POSSIBLE	POINTS AWARDED
Fuel Source	Bulk Fuels (Kerosene, LP Gas, Oil, Wood, Coal)	3	
	Natural Gas	3	
	Electric	3	
	Heating Included	0	

- Award three (3) points if the household uses one of the listed bulk fuel sources.
- Award three (3) points if the household heats with natural gas.
- Award three (3) points if the household uses electric heat.
- Note; award zero (0) points if the household uses any one of the heat sources above but has heat included as a part of their rent.
- Maximum points are three.

## 201.7 Total Points

Total points are used to determine the amount of the EAP benefits.

Notes & Comments:     <i>If heat and electric are included in rent, benefit is \$0.</i>	= Total Points	
	X \$15 dollar amount per point	
	+ Electric	\$50
	+ Regional Differential (\$5 Central, \$15 North)	
	+ Crisis EAP	

Intake Worker:	Date:	= <b>TOTAL EAP BENEFIT</b>	
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### 201.7 **Total Points, *continued***

- Add all of the points in each category for the Total Points.
- Multiply that amount by \$15 per point and enter the subtotal.
- Add the \$50 for the Electric utility, which is already on the form.
- Enter the correct Regional Differential of \$5 for the Central region or \$15 for the Northern region. (See Appendix L in back for Regional Map.)
- Enter the amount of any Crisis benefit, which the household is getting. (See Section 202 for Crisis benefit rules.)
- Add the amount of the points benefit, the electric benefit, the regional differential and the Crisis EAP to determine the **Total EAP Benefit**.
- If a household's subsidized or non-subsidized rent payment includes the cost of both the heat and electric utility adjust the household's EAP benefit to \$0.

### 201.8 **Subsidized Households/Utilities Included**

If a household's subsidized rent payment includes the cost of the heat and electric utility, the household's EAP benefit is \$0. If the heat and/or electric are paid separate, by the client, that benefit should go directly to the utility. **No crisis dollars should be awarded.**

### 201.9 **Non-Subsidized Households/Utilities Included**

If a household's rent payment includes the cost of the heat and electric utility, the household's EAP benefit is now \$0. If the heat and/or electric are paid separate, by the client, that benefit should go directly to the utility. Crisis dollars may be awarded

### 201.10 **Completion of the Benefit Matrix Form**

Instructions: Complete the form by signing and dating it. Complete the Comments and Notes section as necessary.

## 202 **CRISIS ASSISTANCE BENEFITS**

The LIHEAP statute requires that states reserve a reasonable amount of funds each fiscal year for crisis intervention. In Indiana, these funds make up the Crisis Assistance line item in each CAA's budget. (See Section 1400). Funds budgeted for crises should be used at the time of application in an energy emergency.

## **202.1 Crisis**

A crisis means an *energy emergency* where a household is in imminent danger of disconnection, already shut-off, is low on heating fuel, or is totally out of heating fuel. A household that is in imminent danger has received a notice for disconnection from a utility vendor, but has not yet been disconnected.

## **202.2 Crisis Intervention**

The LIHEAP statute requires a *timely and effective energy crisis intervention program* for households in crisis. The Indiana program includes additional benefits and services.

**Timely Intervention** - If the eligible household is experiencing an energy emergency the local CAA and/or its subcontractor must provide intervention that will resolve the crisis within 48 hours from the time of application. Assistance must be provided within 18 hours of the time of the application, if a life-threatening situation exists. This response must be designed to protect the health and safety of the household members. For the agency's part, the extension of Crisis benefits and other services constitutes a proper response to the emergency. Appointments are scheduled when the first available time slot becomes available, which means some appointments may be scheduled after the crisis timeframe.

Because agencies take applications on an appointment basis the "time of scheduled application" may be later than when the household in crisis contacts the agency. Agency procedures must be in place to address a crisis within the time frames noted above and from the date of the determination by the agency that the household is in crisis. This can be simply accomplished by maintaining open appointment slots each day to address crisis applications.

**Intervention Strategies** - Appropriate intervention on the agencies part includes, but is not limited to:

- *Crisis Assistance.* For households whose regular heating benefit cannot assure service (regulated) or guarantee delivery (bulk fuel), the agency must use Crisis Assistance funds to alleviate the

situation. Crisis Assistance must guarantee continuation of service or not be offered.

- *Case Work Activities.* If the authorized heating and crisis benefits cannot resolve the emergency, the agency must provide services to the household to secure additional funds. These services include referrals to other sources of utility assistance, intervention on behalf of the family with utility vendors, providing budget counseling with an emphasis on maintaining rent and utilities.
- *Case Management.* Crisis clients should be referred to the EAP Energy Education component. For more extensive intervention with the family, the CAA should have procedures for referrals to the agency's case management component, i.e. Family Development Consultants, or Family Self-Sufficiency caseworkers.

### **202.3 Crisis Assistance Benefits**

In addition to the regular benefit, the agency may extend up to **\$200** in Crisis Energy Assistance to a household with a regulated utility energy emergency as defined above.

Typically, the Crisis benefit will be based on the family's circumstance at the time they apply. The amount of the benefit will be based on the actual amount needed at that time but may not exceed the \$200 maximum. This applies at any time that the household initially applies; before, during, or after the moratorium period.

Families receiving less than the \$200 maximum are not entitled to any additional amount later in the program. This applies even if the household was not originally in an emergency and did not receive any Crisis benefits in the first place.

Households that use bulk fuel vendors and are not covered by the moratorium regulation may be in an energy crisis at any time throughout the winter. Thus crisis-heating assistance for bulk fuel households may be extended up to the maximum, anytime from the beginning of the current year's program, until March 15<sup>th</sup>. This includes offering the maximum crisis at time of application to ensure a minimum delivery. New applicants, after March 15th may receive regular and crisis assistance if necessary and available.

The maximum amount of crisis assistance for a bulk fuel household is **\$400**.

## **202.4 Outreach**

EAP Program Support funds (See Section 1300) may be used for traditional outreach activities designed to increase awareness of and participation in the program, activities such as:

- Staff activities in the delivery of general information about EAP, as well as other energy-related programs;
- cost of materials such as EAP program pamphlets, energy education information;
- postage for mail-in applications;
- maintenance of seasonal outreach sites;
- overhead costs associated with these activities.

A goal of the program is to increase the participation of at-risk families, by providing outreach that should be directed toward the elderly, disabled, and households with young children.

## **202.5 EAP Social Services**

EAP funding may be used for a range of social services, everything from short-term crisis intervention to long-term services under the Family Development Plan.

Agencies are encouraged to examine the way in which households are evaluated at intake for further services beyond the provision of the utility assistance benefit and to have in place referral procedures to other areas of the agency, or to other agencies in the community, for delivery of those services.

Assurance 16 (outreach and social services) funds may be used in longer-term activities with Energy Assistance families as established in the CAA Family Development Plan, including case management in the areas of:

Energy	Adult Education
Employment	Health
Housing	Child Development and Education
Transportation	Nutrition
Income Maintenance	Family Relations/ Domestic Violence
Support Systems	Alcohol and Drug Abuse

Many CAAs have been working to strengthen their case management function. Through training and cost allocation, agencies have enhanced their ability to provide social services to EAP households. Through Family Development Consultant certification, agencies can develop staff equipped to respond to families in need of case management.

By combining funds such as CSBG, higher reimbursement rates from Section 8 Family Self-Sufficiency, Weatherization client education funding, and other sources; agencies have an opportunity through cost allocation to fund social service positions to work with EAP households on an intensive basis.

An agency that will provide services using the Family Development process, may budget up to 2% of the agency's contract for such activities.

(See Section 1300 for additional requirements for the use of "Program Support" and "Family Development" funds.)

## **202.6 Weatherization Assistance Program**

Also, households with income up to 200% of poverty should be completed and the applicant told that their household may still be able to receive weatherization services.

## **203 EAP BENEFIT PAYMENTS**

EAP benefit payments are made to the utility vendors on behalf of the eligible household for current utility accounts or past due utility accounts. (Transactions involving home energy payments are no longer exempt from the state gross retail sales tax. The LIHEAP sales exemption rule lasted from July 1, 2006 to June 30, 2009).

### Vendors include:

- **Regulated Heating and Electric Utilities** who provide electricity and/or natural gas.
- **Bulk Fuel, LP, and other non-regulated vendors** who provide Fuel Oil, LP Gas, Coal, Wood, or Kerosene. The delivery fee for LP gas, wood, coal, kerosene, or fuel oil should be part of the benefit.

### **203.1 Application of the Regular EAP Benefit**

The household's regular benefit is applied first to the heating bill, even if that results in a credit to the bill. If an applicant household has a credit balance in excess of \$500.00 on the regulated utilities only at the time of the application, they will not be considered eligible for heating assistance until the credit balance is under \$500.00. The client is eligible for the electric credit. If the application has a credit balance on the unregulated utilities, the application is eligible for both the heating and electric benefits as normal.

The \$50 electric benefit is applied to the electric utility bill to maintain the operation of the heating unit.

If the heating source for which the home is designed is not operable either due to disconnection or mechanical failure, the regular benefit should not be provided to the applicant if they are heating with electric space heaters. If the heating source is later deemed operable, during the program year, the client may return for the regular benefit for which they qualified.

If there is an additional amount owed by the household, on the heating and/or electric source, a Crisis benefit may be used to pay it. To be eligible for the Crisis benefit, the household must have lost service, or be in danger of losing service by providing a utility bill with a "disconnect" amount showing. The allowable Crisis benefit is the actual amount needed to maintain or restore service, up to the maximum crisis benefit of \$200 for regulated fuel, \$400 for bulk fuel. The agency must show in the client file how the crisis award was determined.

As with regular benefits, Crisis benefits may be used to pay on both the primary and secondary source of heat. The Crisis benefit may be applied to the heat or the electric utility bill, or split among the two as the agency deems appropriate with a total maximum of \$200 offered for regulated customers, \$400 for bulk customers.

A household application may be approved only one time during the heating season.

A household must apply at the Community Action office of their primary residence.

### **203.2 Electric Utility Payments**

Even though a household may not depend on electricity as a source of heat it is generally required to operate the heating appliance. Thus, to maintain heat it is important that the electric utility also be kept on. The benefit matrix adds \$50 for the electricity.

In the instance that a household does not have electric service, the household is not eligible for the additional electric benefit.

It is the intent of the program that \$50 be the amount allocated from the regular benefit to the electric utility. Again this year, the agency may not apply more regular benefit dollars to the electric utility and less to the heat.

However, up to the maximum of \$200 for regulated utilities (or \$400 for a bulk fuel heated household) in Crisis benefits may be applied to the electric utility if it is not the primary heat source and the crisis amount is warranted. Again, the agency must show in the client file how the crisis award was determined.

### **203.3 Heating with Wood**

For eligible households using wood as their primary heating source, agencies should ensure that households receiving wood meet the following criteria.

- Wood: all wood vended for EAP must be of a good density, such as cherry, hickory, oak, beech, birch, and ash. Types of wood not recommended are maple, elm, gum, sassafras, tulip, aspen, white pine, or poplar. In addition to these woods, IHCD recommends that no green wood in more than 1/3 to 2/3 seasoned ratios be accepted for delivery to a household.
- Rick: a measurement which is 4' x 8' by 16" - 20" deep.
- Seasoned Wood: at least one year old and dry.

Wood costs are not covered when it is a supplemental heat source.



Clients who heat with wood may be issued a “wood certificate” or voucher by the agency. This would allow the client to select a vendor of their choice. The client and vendor would then complete the “wood certificate” upon product delivery and the vendor would return the voucher to the agency for payment.

Applicants who cut their own wood are not eligible for heating assistance benefits

## **204 EAP BENEFIT - UNALLOWABLE PAYMENTS**

Energy Assistance payments may not be made for the following utility-related expenses:

- utility reconnection fees or deposit fees;
- past-due bulk fuel bills (unless payment of the past due bill prevents an immediate crisis delivery to the household);
- water or sewage bill;
- direct rent payments;
- tampering charges;
- outdoor security lights; or
- appliance payments.

### **204.1 Limits on Arrears Payments**

The energy assistance benefit may not be applied to that portion of a household’s utility bill, which is in arrears over one year from October 1<sup>st</sup> of the current program year.

The CAA EAP program manager may waive this rule. The reason for the waiver is to be documented in the case file.

## **205 DOCUMENTATION OF UTILITY PAYMENTS**

Households applying for the Energy Assistance Program must show a utility bill as a part of documenting their need. This should become part of the applicant’s file. The utility must be listed in the name of a household resident over age 18 years or older.

If the utility is listed in the name of a power of attorney, then the client must submit a copy of the legal documentation designating the power of attorney. The copy should be retained in the client's file.

If a household claims that the utility payment is included in the rent, a lease agreement or contract with the landlord stating the landlord's name, address, telephone number, and who is responsible for utilities, is required. If a lease or contract is not available, a Landlord Affidavit must be completed. (See Appendix D for a sample of a **Landlord Affidavit**.) The lease agreement, contract copy, or Landlord Affidavit, must be attached to the application form and retained in the client's file. Intake staff must verify that this information has been submitted and is included in the client's file.

All rental applicants will be asked to provide a lease agreement or Landlord Affidavit. A collateral contact by phone to the landlord or management company for verification will be allowable if the household is in a crisis situation.

All utilities must be listed in the name of a household resident. If the utilities are not listed in the name of a household resident, landlord, or power of attorney, then the client will be ineligible for EAP benefits.

## **206 RENTERS**

### **206.1 Equitable Treatment of Renters**

The 1995 Federal LIHEAP reauthorization, and program amendments governing the Energy Assistance Program, clearly state that renters and homeowners must be treated equitably in the determination of energy assistance needs and eligibility.

Households who rent are eligible for the Energy Assistance Program, if they are income eligible and are:

- responsible for payment of heat and/or electric utilities separate from their rent; or

However, if a household's rent payment includes the cost of the heat and electric, the household does not have an energy burden and will not receive an EAP benefit this year.

### **206.2 Direct Benefit Payments**

EAP will no longer make direct utility payments to individual households.

In the case of a household, where the heat is included in rent and electric is paid separately, no check will be sent to the client for heat but a \$50 payment is to be made by transmittal to the electric utility.

Conversely, if the electric cost is included in the rent and the heat is paid separately, a direct check will not be sent to the client for electric, but a payment determined by the matrix is to be made by transmittal to the heating vendor.

## **207 BENEFIT REFUNDS**

If a household moves out of the service area of the current utility company, leaving a credit on the utility bill, which was paid by the Energy Assistance Program, the remaining amount is to be refunded by the utility company to the household. If the household can not be located, the remaining benefit is to be returned to Indiana Housing and Community Development Authority (IHCDA), who issued payment to the utility vendor. In case of the death of a recipient, the remaining utility credit becomes a part of the deceased's estate. The client or the client's estate must complete and notarize a refund request form (located in Appendix V). Refunds may take up to two weeks for processing, upon receipt of the completed form.

After application, if a household moves out of the services area of their utility company, or otherwise leaves an open account with a balance due, then the EAP benefit may be applied to the balance before any credit is returned to the CAA.

It is not the intent of the program to pay on a closed or disconnected account.

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## SECTION 300

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### ELIGIBILITY AND INCOME STANDARDS

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#### 301 RESIDENCY AND CITIZENSHIP REQUIREMENT

The applicant must reside in the State of Indiana at the time of application and for at least one (1) month of the current heating or “moratorium” season (December 1 through March 15) to be eligible for the Energy Assistance Program.

Current verification of residency and service address must be verified at each application and reapplication for benefits.

Possible verification sources are as follows (not all inclusive):

- Valid Indiana Drivers License with current address
- Utility bill/statement listing the applicant’s name and current address
- Rental/Lease agreement listing the applicant’s name and current residence
- Completed Landlord Affidavit form (if applicable)
- Employer’s statement or pay stub listing residence address

In addition to the above criteria, all members of the assistance unit must be United States (U.S.) citizens, U.S. Nationals or qualified aliens.

A United States citizen is someone born in:

- One of the 50 states
- The District of Columbia
- Puerto Rico
- Guam
- The Virgin Islands
- The Northern Mariana Islands

A United States National is someone born in:

- America Samoa
- Swain’s Island

To verify a household member is a U.S. Citizen or National, use any of the following documents:

1. Birth Certificate
2. U.S. Passport
3. Report of Birth Abroad of a Citizen of the U.S. (FS-240) issued by the Dept. of State
4. Certification of Birth (FS-545) issued by a Foreign Service post
5. U.S. Citizens I.D. card (I-197) issued by the Bureau of Citizenship and Immigration Services (BCIS)
6. Certificate of Naturalization (N-550 or N-570) issued by BCIS
7. Certificate of Citizenship (N-560 or N-561) issued by BCIS
8. Northern Marianas I.D. card (I-873) issued by BCIS
9. Statement provided by the U.S. consular official certifying the individual is a citizen.

There are secondary sources of verification which may include religious records, U.S. civil service employment records dated before June 1, 1976, early school records, census records, adoption papers, and any other document establishing or denoting a place of birth.

Indiana will accept social security cards as citizenship verification.

Non-citizens must provide documentation verifying Resident Alien status to be eligible for EAP benefits. The federal government considers the following to be qualified aliens:

1. An alien legally admitted for Permanent Resident Alien Status. I-151, commonly referred to as a "*green card*".
2. An alien granted asylum. Documentation: I-94 or INS letter
3. A refugee admitted to the United States. Documentation: I-94 "*Arrival Departure Record*".
4. An alien paroled in the United States. Documentation: I-94 "*Arrival Departure Record*".
5. An alien whose departure is being withheld. Documentation: I-94 and/or order from an immigrations court judge.
6. An alien granted conditional entry. Documentation: I-94 "*Arrival Departure Record*".
7. An alien who is a Cuban/Haitian entrant. Documentation: I-151 "*green card*".
8. An alien who is a battered spouse or child. Documentation: 1) Veteran-proof of legal entrance in U.S. DD-214 or poof of active military service, birth/marriage certificate; 2) Other-Approval Notice of "Notice of Prima Facie Case" under the 1994 Violence Against Women Act (VAWA).

### **301.1 Social Security**

A Social Security number (SSN) is required for all persons in the household age 1 and older. If not provided, the household is ineligible for assistance.

A SSN can be verified by viewing the SS card, another federal form, pay stub, SSA benefit letter or other acceptable proof. An intentionally invalid SSN entry is unacceptable.

An agency should assist applicants to apply for social security numbers. the web site for the SSN application form and instructions for applying for a new social security number can be found at: <http://www.ssa.gov/online/forms.html> (Form SS-5 Application for a Social Security Card).

When a household member exists and cannot provide the intake worker with an SSN at time of application: Enter the household member, leaving the SSN field blank, and leave the application in pending status until the SSN is verified.

However, after 30 days of application, if the household has not provided SSNs for all eligible adult household members, a denial letter should be generated. The entire household is ineligible for Energy Assistance if any member fails or refuses to provide or verify their SSN or provide proof of application for a SSN.

## **302 EAP OPERATING DEFINITIONS**

### **302.1 Household**

A household means any individual or group of individuals who are living together as one economic unit for whom residential energy is customarily purchased in common or who make undesignated payments for energy in the form of rent.

Households **do not** include people residing in hospitals or medical institutions, homeless shelters, alcohol or drug treatment centers, battered women and children shelters, transitional dwellings, group homes, or correctional institutions.

Households **do** include people residing in rented or purchased dwellings.

### **302.2 Head of Household**

The head of household is determined to be the person who has the most income based on the agency's income calculations for EAP. This is especially important when accepting an elderly application where an additional non-elderly household member declares a larger income. The head of household would change accordingly.

### **302.3 Energy Burden**

Energy Burden is defined as the ratio of the cost of a household's energy divided by their income (*percent* of income spent on energy costs). Through the benefit matrix, various factors are used to determine the EAP benefit based on this ratio and other considerations. In order to qualify for EAP the household must have an energy burden. Therefore a household that cannot establish that it pays a direct utility cost is categorically ineligible for EAP. Residents who pay neither rent nor fuel costs because of an in-kind rental agreement do not qualify.

### **302.4 Disabled**

Disabled means the inability to engage in any substantial, gainful activity, by reason of any medically determinable physical or mental impairment which can be expected to result in death, or which has lasted or can be expected to last for a continuous period of 12 months or longer.

A person may be determined to meet this definition through various methods. The most desirable verification is a doctor's statement that attests to the person meeting the definition, as defined herein. A household member may automatically be considered disabled if he/she receives one or more of the following benefits:

- Supplemental Security Income (SSI) or, Social Security Disability payments
- Veterans Disability
- Railroad Retirement Disability
- Vocational Rehabilitation Services
- Black Lung Disability
- Medicaid Disability
- Medical Assistance for Aged, Blind, and

## Disabled (MAABD)

Disabled Household: A household with any member meeting the definition of Disabled above is counted as a Disabled Household for EAP statistical purposes.

### **302.5 Elderly**

Elderly means persons 60 years of age or older.

Elderly Household: For EAP statistical purposes the household is defined as an Elderly Household when any member of the household is 60 years of age or older. If an elderly household member is also disabled, the household is counted as *Elderly*, for EAP statistical purposes.

### **302.6 At-Risk Households**

A household is considered At-Risk if it has one or more members in the following categories: elderly, disabled or a child age zero (0) to five (5) years old. These factors are considered in the benefit determination because they identify households with the highest priority energy needs, as defined in the LIHEAP statute.

### **302.7 Household Income**

The household income is the gross earned income and other unearned income received by all household members age 18 and above during the eligibility determination period. Income means any and all type of payment that is a gain or benefit to the household. All income must be counted unless the income falls within the category of "Income Exclusions". (See Section 500.)

When a household member has turned 18, any time during the year, that member's full, annualized income is determined using the standard formulas in Section 303, Income Computations. If the household member is 18, but still in high school full time, then the household member must present a current report card or letter of attendance. The income is not counted. (See Section 504.2)

### **302.8 Poverty Level**

The terms poverty level and poverty guidelines refer to the federal poverty levels established and revised annually by the Office of Management and Budget. The guidelines are generally updated in



February of each fiscal year. However, the updated figures are not implemented for purposes of the Indiana Energy Assistance Program until June 1<sup>st</sup> of the current fiscal year for new summer program applicants.

Indiana uses 150% of the current Office of Management and Budget federal poverty guidelines (updated June 2011).

### **303 INCOME COMPUTATIONS**

The total household income is used to determine financial eligibility for benefits. Households are eligible with an income of 150% of poverty or less. The income computation is subsequently used to compute points on the benefit matrix.

#### **303.1 Computation of Earned Income**

Earned income (See Section 401.1) or fluctuating income must be verified by the following method and converted to an annual figure for the eligibility determination:

- twelve (12) months of income, prior to the date of application.

#### **303.2 Computation of Unearned Income**

Unearned (See Section 401.2), fixed or non-fluctuating income may be computed in the method above, or by:

- computing the annual income based on the current month's income times twelve (12).

### **304 HOUSEHOLD UNIT CONSIDERATIONS**

#### **304.1 Births**

Household members born any time during the twelve (12) months prior to the date of application shall be counted as members of the household for the entire twelve (12) months. If a household member is pregnant and can provide a medical statement that the child will be born prior to

May 15, 2012 then the unborn child may be counted as a household member.

Similarly, for a new Summer Cooling Program applicant, a child projected to be born prior to August 31, 2012 may be counted as a household member.

The household is awarded points under the At-Risk category based on this child.

To consider a newborn under the age of 1, without a social security card, as a household member, a verification of birth must be presented.

#### **304.2 Roomers and Boarders**

Roomers and boarders are persons renting space within the residence of the energy assistance applicant who do not have separate kitchen and bathing facilities. These persons are counted as household members, and their income is included on the application.

#### **304.3 Full-time College Students**

A full-time college student, up to age 23, who is a dependent of a member of the household, may be excluded from the household if the applicant chooses. This means that the person would not be counted as a household member nor would their income be counted. Proof of the student's full-time status must be provided. A full-time student must be enrolled for 12 credit hours or more per semester. The student must also be declared as a dependent of the household's most recent income tax forms.

#### **304.4 Death of a Household Member**

If a household member died during the 12 months prior to the date of application, the deceased member should neither be counted as a household member, nor should his/her income for the twelve (12) month eligibility period be considered.

#### **304.5 Divorce/ Legal Separation**

If a man and woman can prove that they have been legally divorced or separated within the past twelve (12) months, then income from the

absent spouse may be excluded and the remaining spouse counted as a single person for the full twelve (12) months prior to application.

Proof in the form of a divorce or separation decree, documented proof of a permanent residence for the absent spouse, verification of separation from a member of the clergy or an attorney, or verification from the local DFR office, Township Trustee, or a reliable collateral contact must be presented at the time of application. If proof cannot be shown the spouse must be counted as a household member and all income must be counted.

### **304.6 Drop-In Household Guests**

A drop-in guest is defined as:

- an unexpected or casual visitor; or
- family members, friends, etc., who have resided in the household less than three (3) months and who the applicant certifies will be in the home less than three (3) months of a twelve (12) month period.

Drop-in guests are not to be included on the application. Drop-in guests are not counted as a member of the household or as part of the income calculations.

Conversely, if a person resides or is expected to reside in the household more than three (3) consecutive months, that person should be considered as any other household member.

If there is a question on the part of the agency as to the status of any household member the agency may require a collateral contact. This could be in the form of a note or statement from a neighbor, friend or relative as to the living situation of the person(s) in question.

### **304.7 Marriages**

If a household member marries during the twelve (12) months prior to application, their spouse should be included as a household member on the application. The spouse's income is counted fully in the eligibility determination.

### **304.8                      Nursing Home Residents**

If a family member is currently in a nursing home and has been there more than three (3) of the twelve (12) month application period, he/she should neither be included on the application, nor should his/her income be counted.

### **304.9                      Foster Children**

The household may be given a choice to count foster children in the household. If they are counted then the stipend received for the children is also counted as household income.

Adoption assistance should be treated the same.

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## **SECTION 400**

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### **INCOME SOURCES AND DOCUMENTATION**

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It is the household's responsibility to provide accurate documentation of income. It is the agency's responsibility to assess the adequacy of that documentation and provide the applicant with a list of additional documentation needed to determine eligibility for benefits.

Intake staff will encounter various forms of income documentation, as described in Section 402. The worker should use their judgment, with opinions from their supervisors, in accepting or rejecting specific forms of verification. Most importantly, workers should indicate, in writing to the case file, the reason for accepting documentation that may be considered less than ideal.

#### **401 INCOME**

The household income is the total income received by all household members age 18 and above, during the application period. For purposes of the benefit determination, income is considered to be earned or unearned. This distinction is used on the benefit matrix as part of the point's determination for benefits. (See Section 504.2)

##### **401.1 Earned Income**

Earned income is payment received as a result of a person's work, including but not limited to:

- wages (including wages from sheltered workshop employment);
- salary, tips, bonuses, commissions;
- self-employment income;
- income from rental of property;
- profit from a business;
- blood plasma payments; and
- other taxable income.

#### **401.2 Unearned Income**

Unearned Income is payment for which there is no corresponding performance of work or services, including but not limited to:

- disability payments, worker's compensation;
- cash assistance payments such as Supplemental Security Income (SSI), Temporary Assistance to Needy Families (TANF), Unemployment Compensation Benefits (UCB);
- disability payments such as Social Security Disability, Veterans Disability, Worker's Compensation;
- annuities, pensions and other retirement payments such as private retirement plans;
- Social Security (SS);
- alimony payments;
- strike benefits;
- profits or gains from the sale of assets;
- proceeds from insurance settlements;
- winnings, prizes, and awards;
- gifts and inheritances;
- contributions directly paid to a household member; and
- other unearned income.

Because most of unearned benefits remain the same in a given year, they are frequently referred to as “**fixed**” income.

#### **401.3 Zero Income Claimants**

A zero income claimant is an applicant that declares he or she has received no earned, unearned, or incidental income during the 12 months prior to the application date. If an applicant declares no income for 12 months, then the applicant must validate that no income was earned and how living expenses were met during that period. All adults, ages 18 and older, must complete and sign the *Total Zero Income Household Verification Form* to confirm that there were no wages and how living expenses were met. In addition to completing the form, each adult applicant must provide a collateral contact to corroborate that no income was earned. This collateral contact can be: a wage inquiry from the Department of Workforce Development or a signed statement from another social service agency attesting to the family's situation. If validation from a social service agency is not

unattainable, then the EAP Program must approve the usage of verification from a relative, a neighbor, or a friend substantiating the family's situation.

The Total Zero Income Household Verification Form is located in Appendix R. All zero income claimants must complete this verification form and provide a collateral contact to confirm that no income was earned. Once the zero income claimant has provided sufficient documentation, then the CAA may proceed to serve the household.

If upon further inspection by the CAA, IHCD Staff, or EAP Program Monitors, it is discovered that the household has unreported income resulting in a change the applicant's income, then the benefit will be reduced by the amount of income that was discovered. If the unreported income exceeds the Poverty Guidelines, then the CAA must attempt to stop the assistance payment. If assistance has already been given by the vendor, then the CAA must notify the household, in writing, of the ineligibility and attempt to recoup the funds. If the funds cannot be recouped, then the household is ineligible for future EAP benefits.

Zero income claimants should be given a priority in case management services offered by the agency under EAP Family Development or other programs.

## **402 TYPES OF EARNED INCOME AND DOCUMENTATION**

The following section outlines the different types of earned income and the proper documentation needed for their verification.

### **402.1 Employment Income**

Employment income includes all gross wages, salaries, commissions, bonuses, profit sharing, cashed out vacation or sick pay, and tips of an employee. There are several allowable forms of documentation to verify employment (see Section 303 regarding the methods of computing gross income), including:

- pay stubs identifying the person whose income is being considered (i.e., social security number or name) and showing the income for the period being considered for the computations;

- a letter from the employer stating the income for the period being considered for the computations;
- a W-2 Form for the previous year's wages. (This documentation can be used by itself only for applications in the months of January, February, and March and thru April 15th of the current heating season). **Use Box #1.**

#### **402.2 Incidental, Unreported Income**

Earned income that is not reported for tax purposes is nevertheless included in the calculation of the household's gross income. This income must be verified by a written statement from the payer. Applicants may claim this income using the Income Verification or the Income Self Declaration Form in Appendix R.

#### **402.3 Profits from Self Employment**

Self-employment income is an individual's income from a private trade or business (including farming). The person's adjusted gross income is calculated using the IRS Schedules listed below, allowing for certain business deductions, as computed as self-employment income under Federal income tax law.

If a household reports a member who is self-employed, their income must be verified by the Internal Revenue Service (IRS) Tax Form 1040 for the most recent, complete calendar year. (See copy of 1040 form in Appendix E). The adjusted gross income is listed on the last line of the section on Form 1040 labeled "**Adjusted Gross Income**".

**In addition to the Form 1040, applicants must provide one or more of the schedules to complete the self-employment verification.**

Schedule	Form
Form 1040	U.S. Individual Income Tax Return
Schedule C	Profit or Loss From Business
Schedule E	Supplemental Income and Loss
Schedule F	Profit or Loss From Farming



Schedule SE	Self-Employment Tax
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Note that Form 1040 also has information on other income that a self-employed person may have had in the section labeled "Income". This amount will have been computed in the Adjusted Gross Income, already.

#### **402.4 Income from the Rental of Property**

Income from the rental of property is considered earned, self-employment income and is determined using the methods in Section 402.3, above. This income may documented on the Income Self Declaration Form located in Appendix R.

#### **402.5 Contract Sale of Property**

Income received in installments from the sale of property is counted as earned income. This income is handled in the same way as self-employment income in that certain expenses may be deducted from the cost of producing the income.

Only income based on an actual contracted sale may be counted using this stipulation so the agency should actually see the contract for documentation. Otherwise, the income is counted as rental income.

The income may be verified using the methods in Section 402.3, above.

### **403 TYPES OF UNEARNED INCOME AND DOCUMENTATION**

#### **403.1 Assets - Sale of Assets**

Profits or gains from the sale of assets are counted as income. See Section 404 regarding the computation of unearned income from the disposition of assets.

#### **403.2 Black Lung Disability**

When awarded to the recipient while he/she is still living, it should be excluded when figuring income. When Black Lung Pension is awarded to the survivor of the recipient it should be included as income.

### **403.3                      Disability Payments from Insurance**

An individual may have insurance coverage that pays a specified amount for a specific period of time during which he/she is unable to work because of a disabling condition. Such disability payments made by an insurance company directly to the individual are counted as unearned income.

Indemnity health insurance plans pay a specified benefit to a person based on the number of days the person is hospitalized. Variations on indemnity health insurance include accident and cancer policies. These benefits are counted as unearned income.

However, the verified and documented amount of the benefit that is used for the payment of medical bills may be deducted from the benefit in computing the household's income.

### **403.4                      Dividends, Interest**

Dividends or interest earned on financial assets are counted as unearned income to the extent that they are realized (received) by the owner of the asset. Assets include: savings accounts, interest bearing checking accounts, equity shares (mutual funds and stocks), bonds, and retirement accounts, or other similar accounts.

Dividends and interest from financial assets can be verified by earnings statements from the financial institution. If a monthly statement is presented, take the monthly amount times twelve to annualize. Or, Tax Form 1099 for the previous calendar year is acceptable in the first three and a half months of the current calendar year.

That portion of any savings instrument, which represents the individual's contribution to the principle, is never considered as income. Saved money has already been counted as it was received by the household.

For example, the principal withdrawn from a savings account or other cash asset is not used in income calculations. The principle is the amount of the asset that was contributed by the individual owner of the asset.

#### **403.5                      Gambling Winnings**

Winnings from any source of gambling or gaming is considered unearned income; including, but not limited to private gambling, the Hoosier Lottery, PowerBall, horse racing, bingo and other games of chance.

#### **403.6                      Military Allotments**

An individual may be eligible to receive a military allotment if the spouse, adult child, or parent is in the U.S. Armed Forces. Such payments are unearned income and can be verified by a copy of the check, a check stub, or other documents showing the current amount.

#### **403.7                      Pensions**

Ongoing pension payments are counted as unearned income. They may be available to any household member who has retired from private industry, local or state governments, or the federal government. These payments are the result of an investment in a retirement instrument such as an employer-sponsored plan, a personal 401K plan, or an Individual Retirement Account. Most often, the employee and/or the employer pay retirement funds into an annuity account. Annuities are paid out after the person retires, usually with an option for lump sum payments or periodic payments.

Like Social Security, many retirement funds are also available to persons who become disabled, or to their surviving spouse and surviving minor children in the event of the individual's death.

The most desirable documentation of a pension amount is a check stub. Care should be taken to use the **gross** amount of the pension check, since deductions, including income tax withholding, may affect the net. Pensions are usually "fixed", unearned income that may be computed based on one month's check.

(See Section 502.3, Pensions, regarding the treatment of lump sum pension payments.)

#### **403.8 Railroad Retirement Benefits**

Railroad Retirement benefits are available to former railroad workers, their dependents, or survivors. Both retirement and disability benefits are available and are counted as unearned income. These benefits are administered by the Social Security Administration, and payments are often combined with regular Social Security if the person is eligible.

These benefits can be verified using the same methods as Social Security. Railroad benefits should be calculated based on the **net amount**.

#### **403.9 Royalties**

Royalties include payment for copyrighted or patented property of a household member, such as payments for:

- the right to use copyrighted materials;
- the right to use licensed products;
- the right to use patented items;
- the right to use secret processes, formulae or designs;
- consideration for trademarks and other analogous rights;
- the rights on the use of motion picture films; and,
- for the use of industrial, commercial, or scientific equipment.

Royalties may be documented by statements or by contracts with the entity paying the royalty. Alternately, documentation of a period of income from the royalties may be used.

#### **403.10 Social Security Benefits**

Benefits administered by the Social Security Administration include Social Security retirement benefits, Social Security disability benefits, Supplemental Security Income assistance, and Railroad Retirement.

There are several acceptable methods to obtain Social Security (SS) documentation.

- Copy of the Social Security Award Certification.
- Direct deposit statement from a bank.

- SSA-2458, Report of Confidential Social Security Benefit Information or written verification from the Social Security Administration (SSA) with a Form L634 (cover letter) attached.
- Copy of the most recent Social Security check.
- A lump sum Social Security awarded for back payment may be used to calculate income. Determine the amount by pro-rating the entire award and then consider the most recent twelve (12) months.

The **net amount** of the Social Security check, after the deduction for Medicare Part B premiums and/or Part D, overpayment recovery, and child support garnishments, is to be used to compute income.

#### **403.11 Strike Benefits**

A union may award strike benefits to employees who are striking against their employer. Strike benefits are counted as unearned income. They may be verified by statements from the union, or by a check copy or stub.

#### **403.12 Temporary Assistance for Needy Families (TANF)**

TANF replaced several forms of welfare assistance. For income calculation purposes consideration is only given to the cash assistance award that was previously awarded under the AFDC program.

Acceptable proof of this income would include a copy of the most recent TANF check, a TANF award letter, or any other form of verification from the local office of the Division of Family Resources.

#### **403.13 Unemployment Compensation**

Unemployment Compensation Benefits (UCB) are unearned income that is available to individuals who have a recent, covered work history and are currently available for employment.

UCB may be documented by weekly pay stubs. The gross amount of the check is on the check stub. It is the **gross benefit** that should be used to compute the household member's income. The gross benefit amount is identified as the "weekly benefit amount", or WBA. There also may be a \$25.00 per week stimulus addition that should be counted. Note that the

net amount of the weekly check is after applicable deductions; such as federal income tax withholding, child support, and garnishment.

UCB may also be documented by a letter which is issued to the claimant by the Department of Workforce Development (DWD) which states the total amount of money available under their claim and the length of time it is to be paid out. However, this letter only indicates the amount the claimant may receive. If there are issues regarding the circumstances under which the claimant separated from employment, those issues may prevent or postpone the individual's actual receipt of benefits.

UCB recipients also receive a tax form 1099G from the DWD showing the previous year's draw of benefits.

#### **403.14 Veteran's Benefits**

A copy of the most recent benefit check, an entitlement letter, or a statement from the Veterans Administration is all acceptable documentation of VA benefits.

#### **403.15 Worker's Compensation**

Worker's Compensation may be awarded to an injured employee or his survivors under state and federal statute. Benefits are paid either in a lump sum or, more likely, as a monthly payment. Benefits are counted as unearned income.

Worker's Compensation is either paid by an insurance company or by the employer out of a self-insurance fund. In either case the individual should have an "Agreement to Compensation" form which states the amount of the benefit.

Worker's Compensation can also be verified by calling the Worker's Compensation Board of Indiana at (317) 232-3808. Agencies will be asked if they have a release of information form signed and on file.

#### **403.16 Life Insurance Payments**

Life insurance payments of a regular basis to a surviving household member should be counted as unearned income.

## **404 ASSETS - SALE OF ASSETS**

Profits or gains from the sale of the assets of an individual household member are counted as income. Losses from the sale of assets are disregarded in the calculation of income.

### **404.1 Definition of Assets**

For purposes of the Energy Assistance Program assets include:

- equity shares (stocks);
- bonds;
- savings;
- retirement accounts;
- personally-owned real estate and/or dwellings that are *not* the households primary place of residence;
- personally-owned real estate and/or dwellings that *are* the households primary place of residence (but see Section 404.6 below);
- household furnishings;
- personal vehicle(s);
- coins, stamps, or other valuable collections;
- gems and jewelry;
- gold;
- silver; and/or,
- other items of value.

### **404.2 Calculation of Asset Income**

Assets may produce income in two ways. Some assets, such as savings or investments produce ongoing income from interest or dividends. This income is counted as it is received. (See Section 403.5, Dividends and Interest.)

Assets also produce income when they are liquidated, sold or otherwise disposed. The resulting income is counted for the eligibility determination for EAP. However, certain deductions or exclusions are applicable in determining the countable gain or profit.

The determination of the gain (or loss) from the sale of an asset is based on this example:

\$10,000	the original purchase price of the asset
- 4,000	Depreciation to the value of the asset
= 6,000	the current value of the asset
- 500	other allowable deductions or exclusions
+7,000	amount received for the asset
\$1,500	gain (profit) or loss from the asset sale

#### **404.3 Loans Against an Asset**

Gains derived from the sale of an asset which are subsequently utilized to discharge the balance of a debt on the asset are deducted when computing the income from the sale of the asset.

For example, an individual sells a car for \$6,000 and still owes \$3,000. The amount still owed on the car, which can be documented, is deducted from the amount received for the car when calculating income.

#### **404.4 Depreciation**

The amount of depreciation of an asset is deducted from the original cost of the asset before computing the gain received by disposal of the asset. Put more simply, the intake worker should use the current value of the asset when calculating the income from the disposition of the asset.

For example, an individual purchases a car for \$10,000 and drives it for 3 years during which time it depreciates in value by \$4,000. The amount of depreciation is excluded in the income calculation. (The depreciation of the car is actually computed by merely looking up the current value of the car.) The current value of the car is then \$6,000. The individual then sells the car for \$7,000, but there were \$500 in fees associated with the sell. So the gain on the sale of the car is \$1,500.

#### **404.5 Fees For the Sale of an Asset**

The fees necessary for the sale of an asset are deducted from the proceeds of the sale when computing gain from the sale of an asset. Such fees are limited to broker's fees, real estate agent fees, or other reasonable and necessary fees paid to an intermediary by the asset seller. Deductible fees *do not* include the individual's incidental or personal expenses for the sale.

#### **404.6 Sale of a Residence**



If a household member has sold “homestead” property, that is real estate and/or a dwelling in which the member resided, the profit or gain from the sale of that asset is counted as income. *Except*, if the household uses that gain for another residence a deduction is made to the extent that:

- the gain was applied to the purchase of another house in which the household member is currently residing; or
- the household member can provide documentation of intent to apply the gain to another residence and is actively searching for another residence.

For example, a residence is sold for its current value of \$50,000. The mortgage on the residence of \$45,000 is paid off. And, the Realtor’s fees of \$3,500 are paid. The household has realized \$1,500 from the sale. The household member makes a down payment of \$1,000 on another residence. The countable income from the sale is then reduced by the amount used for another residence and becomes \$500.

#### **404.7            Forced Sale of Assets and Discharge of Debts**

Gains derived from the forced sale of an asset, which are subsequently used to discharge a debt, are excluded as income. These involuntary sales of assets are usually supervised by creditors and may precede a threatened foreclosure or bankruptcy.

Any portion of the gain not used to discharge a debt is to be considered income.

#### **404.8            Sale of Assets of a Business**

The assets held by and disposed of as a part of a household member’s business are not a part of their personal income calculation. Those transactions would be considered in the calculation of their business profit or loss. (See Section 402.3)

#### **404.9            Asset Tests**

There is not an asset test or resource limit with the Energy Assistance Program. The total value of a household’s assets does not affect its eligibility for benefits. Only the income produced by the assets is used in the eligibility determination.

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## **SECTION 500**

### **INCOME EXCLUSIONS**

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In computing a household's eligibility for EAP certain types of income are to be excluded. Exclude the following income when determining gross annual household income.

#### **501 LOANS**

In general, sums received as a loan to an individual are not counted as income.

##### **501.1 Loans**

Loans include, but are not limited to: educational loans, car and home loans, various loans to pay household expenses, reverse mortgages, money advanced on a credit card, etc.

##### **501.2 Reverse Mortgages**

A reverse mortgage is a mortgage contract which allows a homeowner, age 62 or over, to borrow a percentage of the appraised value of the home. The homeowner then receives either a periodic payment or a line of credit that does not have to be repaid as long as the person is in their home. Reverse mortgages are essentially loans and are excluded.

#### **502 NON-RECURRING, LUMP SUM PAYMENTS**

Starting FY2012, non-recurring, or lump sum, payments to a household must be counted as income.

##### **502.1 Medical Reimbursement**

Reimbursement, from a third party, for medical expenses is not counted as income. However, note that funds paid by a health indemnity plan, for a person in the hospital, may be counted to the extent that it is not used to pay medical bills. (See Section 403.4)

## **502.2 Insurance Settlements**

A one-time, lump sum insurance settlement payment for injury is excluded as income. (However, see Section 403.5 regarding dividends and interest.)

## **502.3 Retirement**

A lump sum pension or retirement payment is included in income to the extent that it represents the employer's contribution and/or interest. The payment is excluded from income to the extent that it represents the employee's contribution. However, the ongoing retirement payments are counted as income. (See Section 403.8)

Lump sum Social Security and Supplemental Security Income (SSI) payments may be excluded from income calculations (See Section 403.11). However, the ongoing amount of such income is annualized, and counted.

Social Security benefits paid to a surviving spouse in the name of the surviving children is counted as income to the household.

## **502.4 Inheritance**

An inheritance received in a lump sum is excluded as income.

## **502.5 Gifts**

Gifts of a one-time nature that do not represent support on a cash basis are excluded as income.

## **502.6 Savings Instruments Principle**

That portion of any savings instrument which represents the individual's contribution to the principle is never considered as income. Saved money has already been counted as the household received it.

For example, the principal withdrawn from a savings account or other cash asset is not used in income calculations. The principle is the amount of the asset that was contributed by the individual owner of the

asset. (See Section 403.5, Dividends and Interest regarding income from such instruments).

#### **502.7 Tax Refunds**

Tax refunds and Earned Income Tax Credits refunds are excluded as income.

#### **502.8 Veterans Reduction Assistance Allowance**

That portion of Veterans Reduction Assistance Allowance which represents the veteran's contribution to the allowance is excluded. Veterans who served before December 31, 1977, have not made a contribution toward their benefits. This contribution will not exceed \$2,700 and can be identified by the Veterans Administration (VA) when verifying benefits.

To verify benefits call 1-800-827-1000 and provide the applicant's VA file number. A social security number may be used as a last resort. The VA will verify the educational expenses (i.e., tuition, books, fees, transportation) which are excluded from income.

That portion of the allowance which represents the Veterans Administration contribution and which exceeds these educational expenses is counted as income.

#### **502.9 Payments on a Household's Behalf**

Payments made by others on the household's behalf are excluded, including payments for such items as car and health insurance payments, payments for rent, or payments for other household expenses made on the household's behalf. However, if money is given directly to the applicant for any purpose, that is counted as income.

### **503 BENEFITS FROM OTHER ASSISTANCE PROGRAMS**

In general, the cash and non-cash benefits received by the household from other social services programs are excluded as income. (Except as delineated in Section 403, Types of Unearned Income)

#### **503.1 Agriculture Commodities**

TEFAP: the value of federally donated food commodities acquired through price support operations for school lunch programs or for distribution to needy individuals shall not be considered income for the purpose of determining eligibility for the Energy Assistance Program.

Child Nutrition Program Commodities: the value of food provided under National School Lunch Act or other child related commodities distribution programs are excluded as income.

Elderly Nutrition Programs: the value of food such as congregate dining and home-delivered meals are excluded. (See Section 503.12)

### **503.2 Black Lung Disability**

When awarded to the recipient while he/she is still living, it should be excluded when figuring income. When Black Lung Pension is awarded to the survivor of the recipient it should be included as income.

### **503.3 Child Care Assistance**

Childcare assistance payments on behalf of the household are not considered income to the household. Childcare assistance paid to the household as a childcare voucher is counted. Common types assistance include; Child Care and Development Funds (CCDF), Child Care and Development Block Grant funds (CCDBG), Social Services Block Grant funds (SSBG), At-Risk Child Care, Guaranteed Child Care, and Transitional Child Care.

### **503.4 Domestic Volunteer Service Act of 1973.**

VISTA, ACTION, RSVP, Foster Grandparents, Senior Companion Program, Older Americans Community Services. Payments to volunteers under this act shall not in any way reduce or eliminate the level of eligibility for assistance under EAP. Except when such payments, adjusted to reflect the number of hours such volunteers are serving, are equivalent to or greater than the minimum wage then in effect under the Fair Labor Standards Act of 1938, or the minimum wage under the laws of the State where such volunteers are serving, whichever is greater (minimum wage rate is \$7.25 as of 8/1/09). Refusal to accept other work while a volunteer under this Act shall not cause a loss of benefits.

**503.5 Food Stamp Act of 1964**

The value of the food stamp coupon allotment provided to a household or any of its members is excluded.

**503.6 Medicare and Medicaid**

Reimbursements to a household for medical expenses are not considered income for the Energy Assistance Program. The premium for Medicare Part B is not included as income.

**503.7 Student Grants and Loans**

Any grant or loan to any undergraduate student for educational purposes made or insured under any program administered by the United States Department of Education is not to be considered income for the Energy Assistance Program. (This includes federal work-study grants.)

**503.8 Victims of Nazi Persecution**

Restitution payments made to individuals because of their status as victims of Nazi persecution shall not be counted as income, per Public Law 103-286 signed August 1, 1994.

**503.9 Subsidized Housing**

The value of a housing subsidy is excluded with respect to a dwelling unit under the United States Housing Act of 1937, the National Housing Act, Section 101 of the Housing and Urban Development Act of 1965, or Title V or the Housing Act of 1949.

Direct payments to the household for utility assistance under these programs are also excluded as income.

**503.10 Supportive Services for Employment**

The value of supportive services received under various employment and training programs is excluded as income. These programs include; the Job Training Partnership Act, the Personal Responsibility and Work Opportunity Reconciliation Act, or similar programs.

Supportive services include payments made on behalf of, or through an individual for transportation, health care, special services and materials for the handicapped, child care, meals, temporary shelter, financial counseling, and other reasonable expenses required for participation in the training program and may be provided in kind or through cash assistance.

**Note:** actual wages earned in employment and training programs are generally counted as income.

#### **503.11                                      Township Trustee Assistance**

All forms of township trustee assistance are excluded as income for the EAP program.

#### **503.12                                      Older Americans**

The value of elderly nutrition programs such as congregate dining, home-delivered meals, Senior Citizens Service Employment Program (Title V), and Experience Works (formerly Green Thumb) may not be treated as income or benefits for eligibility purposes under the EAP.

#### **503.13                                      AmeriCorps**

AmeriCorps is a network of national service programs which engage Americans in intensive service to meet critical needs in education, public safety, health, and environment. Created in 1993, AmeriCorps is part of the Corporation for National and Community Service, which also oversee Senior Corps and Learn and Serve America. AmeriCorps living allowances and education awards are excluded as income.

#### **503.14                                      Certain Children of Vietnam War Veterans**

VA benefits provided to children of Vietnam Veterans (including adult children) who were born with the congenital defect spina bifida are excluded. Also, effective December 1, 2001 VA benefits to children of female Vietnam veterans born with certain other birth

defects are excluded. The monthly monetary allowance is paid at a rate that is based on the child's level of disability. (refer to chapter 18 of Section 401 of P.L. 106-419).

#### **503.15 Economic Recovery Payment to Certain Individuals**

A \$250.00 payment to recipients of Social Security, SSI, Railroad Retirement Benefits, and Veterans Disability for Pension Benefits shall not be considered income in FY 2011

### **504 EXCLUDED EARNED INCOME**

In general, earned income is counted. (See Sections 401.1 and 402.) The following earned income is excluded.

#### **504.1 Adult Care Payments**

Income paid to care-attendants for care of the elderly or handicapped living in the applicant's household. **Note:** A live-in care attendant related by blood, marriage, or adoption to any member of the household is considered a household member.

#### **504.2 Income of Students**

Income of a full-time college student, up to age 23, and who is a dependent, may be excluded if the applicant wishes. If so, that student would not be counted as a household member. Proof of the student's full-time status must be provided.

A full-time student is enrolled at a university, vocational college, business college, or other accredited institution for 12 credit hours or more per semester.

Income from a student still attending high school, regardless of age, is excluded. The student must present a current report card, school schedule, or letter of attendance as verification.

#### **504.3 In-kind Payment to the Household**



An in-kind payment to a household in lieu of payment for work is excluded from income computations, including:

- the imputed value of rent from owner-occupied housing;
- food or rent received in lieu of wages;
- items received in barter for rent; and
- gifts received from an employer.

#### **504.4 Income of Household Members Under 18**

The earned income of any household member under 18 years old at the time of application is excluded from the household's eligibility determination.

### **505 ASSETS - SALE OF AN ASSET**

The determination of the gain (or loss) from the sale of an asset is based on the current value of the asset and the amount received in the sale of the asset. When a household member sells or liquidates an asset the resulting income is counted, except that there are certain deductions from that sale that are, in effect excluded from the calculations.

It is *important* to also review Section 404, Assets - Sale of Assets, regarding the sale and liquidation of assets.

### **506 INCOME EXCLUSIONS - NON-CASH BENEFITS**

#### **506.1 Employer Paid Benefits**

Employer paid or union paid portion of health insurance or other employee fringe benefits are excluded as income.

### **507 DRASTIC LOSS OF EARNED INCOME**

There will be no Drastic Loss of Earned Income in FY 2012.

### **508 CHILD SUPPORT**

Starting FY 2012, child support income is excluded as an income source. If a client's only source of income is child support, then that client should be treated as a zero income claimant. (See Section 401.3)

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## SECTION 600

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### VENDOR NOTIFICATION AND PAYMENT PROCEDURES

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During FY2011, the vendor notification and payment procedures were modified to include IHCD as the third party payment administrator of EAP transmittals. However, the agency is responsible for promptly notifying the eligible household's utility vendor(s) so that the EAP benefit can be applied to the bill.

#### 601 EAP VENDOR NOTIFICATION PROCEDURE

##### 601.1 Transmittal Forms

The **Daily Transmittal** form (see Appendix K) is a list of eligible households for whom the vendor applies the EAP financial credit.

The **Transmittal Summary** form (see Appendix L) is a list of processed transmittals from which to pay the vendor for credited utility bills.

##### 601.2 Vendor Notification

The vendor should be notified of client eligibility once the application is fully completed, signed, and approved by the authorized CAA representative. If the household is ineligible or is pending eligibility determination, an EAP benefit amount should *not* be recorded on the application. The vendor should *not* be notified prior to the benefit determination.

The vendor notification procedure is as follows. The CAA will generate the EAP Daily Transmittal Form(s) that will reflect client information obtained directly from the approved EAP application(s).

The purpose of the Daily Transmittal is to notify the vendor of approved households and their benefit awards. This notification should be sent to the vendor on a daily basis if electronic transmission is available. For the Universal Service Program, this is particularly important. Otherwise, weekly submission of transmittals should be the standard.

The EAP Daily Transmittal Form should be fully completed, except for the vendor's signature. The authorized agency representative will sign

and date in the appropriate space and send the original to the vendor and maintain a copy for fiscal accountability.

Transmittal(s) signed by the agency representative signifies EAP approval of the listed households and financial obligations to the respective vendor.

Original or electronic signatures are not necessary on electronic transmittals.

### **601.3 Vendor Processing**

To begin, all utility vendors must complete a Memorandum of Understanding (MOU) with IHCD. These MOUs are renewed every two years. Utility vendors are not paid if there is not a completed MOU on file.

The vendor will review the EAP Daily Transmittal to verify the account and to acknowledge the EAP enrollments and benefit amounts. The vendor must report any discrepancies in client name, address, account number, billing amount, or bulk fuel order as soon as possible either by telephone contact or notation on the transmittal.

The authorized vendor (bulk fuel or regulated utility) representative will sign and date the appropriate space and return the EAP Daily Transmittal as soon as possible to the local agency for vendor payment.

The vendor signature on the EAP Daily Transmittal Form certifies that the vendor has acknowledged the EAP enrollment, credited the account or delivered the fuel, and (for regulated utilities) will protect the household under the provision of the "moratorium on disconnection" during the period of December 1st through March 15th.

If the assistance is not completely used, the remaining EAP benefit should be rolled over to the next month and placed on the customer's account as a credit. At the end of the program year, credits remain on the customer's account. They are released to IHCD only if the client's account is closed.

Once the vendor has processed the transmittal, it is returned to the CAA. When the CAA has received the signed Daily Transmittal from the vendor, the agency must submit a claim via IHCD Online to request payment be remitted to the vendor. IHCD will receive the

claim and confirms that a Memorandum of Understanding (MOU) has been received from the utility vendor. Wood vendors will need to also provide a copy of a W-9 tax form. Once receipt of the MOU is confirmed, then the payment is process for payment within 14 working days of receipt. The preferred method of payment is automatic clearinghouse (ACH), or direct deposit. However, vendors may request to receive paper checks, in lieu of the automated payment process.

#### **601.4 Crisis Assistance Benefits**

Crisis benefits for households will follow the same vendor notification procedure. Program enrollment can be verified by the EAP application on file at the local agency.

### **602 EAP VENDOR PAYMENT PROCEDURE**

The CAA will now submit the approved transmittal(s) to IHCDA for payment. The EAP payment amount will be accompanied by a Transmittal Summary Form for fiscal accountability. The Transmittal Summary should be computer-generated.

The Transmittal Summary is a comprehensive report of the transmittal(s) that corresponds with the dollar amount of the payment.

Quality assurance adjustments regarding household eligibility or benefit adjustment should be indicated on the Transmittal Summary Form. The vendor payment package to IHCDA should include:

- A. EAP vendor check amount;
- B. Transmittal Summary Form; and
- C. Copies of Daily Transmittals (optional if vendor has copy on file).

### **603 EAP PAYMENT SCHEDULE**

Payments for households that use bulk fuel will be made as soon as feasible after the beginning date of the program.

CAAs should begin transmitting to regulated utilities as federal funds become available through IHCDA. Regulated utilities should anticipate

first payments for eligible clients no later than November 2011. Once transmittals are received by the CAAs from the utilities, the transmittals should be sent to IHCD by the CAAs within 5 calendar days of receipt from the utility vendors. Transmittals should not be to IHCD for payment until they have been approved and returned from the utility vendors.

**No households will receive a direct benefit check in FY 2012.**

For FY 2012, the earliest transmittal date will be November 1, 2011, the official start of the program.

Vendors will not receive timely payment if transmittals are not returned promptly to the CAA or if no MOU has been received.

## **604 TRANSMITTALS FOR CREDITS AND OVERPAYMENTS**

As a part of the state's program integrity plan, each agency is required to conduct a quality assurance review on at least 30 percent of its client eligibility files. This review may result in additional pledges to clients for underpayments or in payments to IHCD overpayments. For more information about quality assurance, see Section 700.

### **604.1 CREDITS**

If the review is completed and it is found that the client was due additional funds, then an additional transmittal is submitted to the vendor for the additional funds.

These additional funds will be paid out of the agency's current allocation. If the agency has spent out all program funds and an additional amount is owed, it must be paid by the Community Action Agency using non-federal funds. Agencies should continue to charge underpayments to their current grant allocation, as long as the funds are available. Additional funds will not be allocated, nor will leveraging funds be available to cover underpayments.

### **604.2 OVERPAYMENTS**

If the client's benefit decreased the funds must be remitted back to IHCD. Prior to FY 2012, some agencies paid the reduction in client

pledges from their corporate unrestricted funds, while others have used leveraging funds as a means to prevent the clients' from receiving a charge to their bills. Others have simply collected the overpayments from utilities and allowed those charges to go back on the bills of their clients.

Beginning FY 2012, agencies will no longer be able to pay for negative adjustments to client benefits with federal funds (Leveraging or otherwise). Agencies will have to coordinate with their local utilities to set up an agreement whereby the agency will either pay for the overpayments from their corporate unrestricted funds or request that the overpayments be applied back to the clients' accounts. Overpayments will be applied back to the block grant, not the individual agency's budget.

Please note that utility vendors have the option to decline the overpayment request because services and/or discounts have been rendered to clients. If utility vendors opt not to pay for overpayments or put charges back on clients' accounts, the agencies will be required to remit the funds back to IHCD from its private, corporate funds.

#### **604.3 OVERPAYMENT PROCEDURE**

- Agencies will conduct their ongoing quality control review of at least 30 percent of the client eligibility files. The quality review should take place within 45 days from approval of the clients' benefits.
- In the QC Audit template in RIAA, the agency should list the amount of the overpayment in the comments section of the review form.
- The agencies must send a notification to the client stating that a portion or all of the benefit was revoked. The client should be instructed to contact the utility vendor immediately to make payment arrangements. Failure to contact utility vendor may result in a disconnection.
- The agency should immediately contact the utility vendor via Overpayment Notification in RIAA. Overpayment notifications should be sent to the utility vendor only for approval.

- If the utility vendor approves the overpayment notification, the utility vendor will sign and return a copy of the signed overpayment notification with a check for the funds requested.
- Upon receipt of the overpayment from the utility vendor, IHCD will notify the agency that the overpayment has been received.

#### **605 IHCD CLAIM REIMBURSEMENT**

The CAAs may claim reimbursement for EAP obligated funds from IHCD for Eligibility (.1), Program Support (.2), Energy Education (.3), Family Development (.9), Conservation Action Kits (.10), Materials and Supplies (.11). This procedure should sufficiently maintain the CAA's cash flow.

The IHCD field staff will monitor and statistically sample the client files to ensure that the CAA is maintaining acceptable program eligibility documentation and financial payment records.

Approval of benefits by the CAA, which exceed the available balance of their allocation, or the maximum percentage of a particular line item, will not be reimbursed by IHCD.



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## **SECTION 700**

### **QUALITY ASSURANCE**

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The Quality Assurance review process ensures that EAP benefits are protected from waste, fraud, and abuse. As a part of the state's program integrity plan, each CAA has the responsibility of completing Quality Assurance (QA) Reviews of no less than thirty percent (30%) of all EAP applications. Starting FY2012, all agencies must conduct a review of their client eligibility files at least 45 days after the application date.

#### **701 APPLICATION INTAKE QUALITY**

Quality Assurance Reviews are internal reviews conducted by the agencies to ensure that all applications are complete. A complete application must contain the following information:

- the household information;
- the statistical sections;
- the benefit information sections;
- the utility company information;
- the identification of application type, including TANF status; and,
- the signature and date on the application.

A complete application should contain the following supporting documentation:

- copies of the most recent or other appropriate fuel bills;
- copies of income documentation;
- notation of participation in Energy Education Class, if applicable;
- case-management notes for further energy related services using the Family Development Matrix;
- forms indicating referrals to other agencies or programs; and
- other documentation including the intake worker's written comments (i.e. notes regarding contacts with utility companies).

QA reviews check complete applications to ensure that the following information was processed accurately:

- the completeness of the case identification information;
- the accuracy of the income computation;

- the points awarded correctly under each category;
- the points totaled correctly;
- the electric benefit is noted;
- a crisis benefit, if applicable, is noted;
- the matrix form is signed and dated by the intake worker.

IHCDA has developed a Quality Assurance monitoring tool in the RIAA software to track all internal QA reviews. It should be used by all agencies in reviewing files internally.

Once the QA reviews are completed, agencies should compile the list of errors and use the list as a tool for future program training and development.

## 702 ZERO INCOME CLAIMANTS

Households that declare no income are required to complete a Total Zero Income Household Verification Form (located in Appendix R) and document how their living expenses are met. In addition, the zero income claimants must support the claim with documentation from another social service or state program, like a wage inquiry from the Department of Workforce Development. **If there is no indication how a zero income household meets basic living expenses, then no EAP assistance should be offered.** This is not meant to disqualify a household with no income, but rather understand how such a household survives and if case management services would be appropriate.

A signed EAP application gives the agency consent to make any necessary contacts to verify information given by the applicant. Households which are found to have undeclared income, resulting in total household income exceeding the Poverty Guidelines, or resulting in getting benefits for which they were not entitled, should be notified that unreported income has been found. Further, the EAP benefit, which has already been given to the vendor, should be recouped.

To prevent fraud and abuse of EAP benefits among zero income claimants, it is recommended that CAAs review a higher sampling of these applications.

## 703 LANDLORD AFFIDAVITS

The CAA should also include QA random samplings of households that rent by using a **Landlord Affidavit** (see Appendix D). The Landlord Affidavit can be used to corroborate that the following information was submitted properly on the application and the proper matrix points were assigned as a result:

- utilities are listed in the name of a household member, landlord, or legal power of attorney
- the correct primary heating source was listed
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- the proper points were allocated for subsidized households
- confirm the number of adults and children listed on the application

Verification of property ownership may also help in the QA effort. If upon further review by the CAA staff, it is determined that a household has provided fraudulent housing information, the agency should begin procedures to recoup the benefit.

## **704 MONITORING AND COMPLIANCE**

As a part of Indiana's program integrity plan, each CAA's EAP program will undergo an annual monitoring review. The review will be conducted by subcontracted monitoring, consulting firm.

### **704.1 MONITORING PROCESS**

IHCDA will pull at least three (3) percent of the agency's client eligibility files and submit the files contracted file monitors for the review. The CAA will be notified of the review according to the following schedule:

- For agencies whose file total is greater than 500, they will be notified no more than 14 days prior to the view.
- For agency's whose file total is less than 500, they will be notified no more than five (5) days prior to the review.

The monitors will conduct the review at the agency's primary (or main) location. Each review will include an entrance review, a client eligibility review, a financial review, a programmatic interview, and an exit interview. The client eligibility review analyzes the components of the application for completeness and accuracy as defined in Section 701. The financial review ensures that EAP

applications are remitted via transmittals to utility vendors within 60 days from their approval date. The programmatic interview allows the EAP program staff to explain their QA review process, energy education program, outreach activities for at-risk clients, and intake procedure for taking internal applications.

## **704.2 REPORTING**

Each CAA should receive a copy of the monitoring report within 30 days from completion of the exit interview. If the agency was given a grace period up to 10 days to submit additional information, then the monitoring report will be issued 30 days from the last day of the grace period. The monitoring report will include the number of files reviewed, the number of findings and concerns, the amount of benefits to be paid to clients and IHCD, and suggestions for future program enhancement. Agencies will have 15 days from receipt of the monitoring report to respond. The agency will send the monitoring response to IHCD. IHCD will respond within 15 days. The response is sent to IHCD to mitigate any disputes between the agencies and the monitors on findings and concerns. If the agency chooses to respond to IHCD, the response must be sent to IHCD within 15 days. If IHCD agrees with the response, the monitoring period is then closed, and the response is sent within 15 days. If IHCD disagrees with the response, the cycle begins again.

## **704.3 QUALITY IMPROVEMENT PLAN**

As a part of the monitoring report, each agency's error rate is assessed to identify if there is a need for additional training and technical assistance. The error rate is the total of findings and concerns divided by the total number of files reviewed. If an agency's error rate is 20 percent or higher, then the agency is eligible for a quality improvement plan (QIP). A QIP is training and technical assistance plan that requires the agency to undergo three (3) additional monitoring sessions over 90 days, or one visit every 30 days. The agency's qualification for the QIP is identified in the monitoring report. IHCD will confirm the need for a QIP based on the agency's responses to the monitoring report.

The agency is notified in writing no more than seven (7) days prior to the monitoring visit. The monitoring notice will request that the agency have at least 50 client eligibility files per Service County available for review. The files may not undergo the agency's internal

QA review in preparation for the visit, unless the files were pulled as a part of the daily QA process. The monitor will pull at least, but not limited, 30 client eligibility files at random. Only a client eligibility review is conducted during the visit. A report is issued within 15 days from the exit interview. The report will address any findings or concerns identified during the visit and offer programmatic recommendations to enhance the client eligibility review process.

After the third visit at the end of the 90 days, IHCDA will assess the agency's client eligibility review process. If corrective actions have been made to remedy the findings and concerns, the agency will be cleared from the QIP, and the monitoring period will be closed. If IHCDA finds that the agency is unable to successfully administer the client eligibility review process, then a funding determination will be assessed.

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## SECTION 800

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### MAIL-IN PROTOCOL

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Most agencies are serving a portion of their EAP households through a mail-in process, which allows the eligibility determination to be accomplished without a face-to-face interview. The process may be used with any group the agency chooses, but the most successful groups have been the elderly and the disabled since they are mostly on fixed incomes and have static living conditions.

Other agencies have served families with children under age six (6), the other “at-risk” group in EAP. We encourage agencies to continue to expand their mail-in groups, particularly experimenting with the working poor to whom coming to the office may mean taking time from a job and losing pay.

#### 801 APPLICATION DATES

All clients from the previous year’s EAP roles, who fit the agency’s chosen population, may be sent a mail-in application packet. IHCD has again promoted the mail-in application time frame, prior to the official start of the program in the fall. Households may mail applications for FY 2012 beginning September 1, 2011. This is done to alleviate the congestion at the start of the fall appointment period. Completed applications for the FY 2012 program may be entered into RIAA beginning October 1, 2011. But no transmittals should be sent to the utility vendors until November 1, 2011 or after. Nor should the Applicant Notification form be sent to households prior to November 1, 2011. Again, November 1, 2011 is the effective start date of the FY 2012 program.

#### 802 APPLICATION PACKET

##### 802.1 Application Packet Contents

Each agency develops its own mail-in packet. However, the packet should contain the following:

- the Energy Program Application form (some agencies use a pre-application form); with instructions on how to complete the application;

- all other state and local required forms and any special instructions which the client may need in order to complete the mail-in process successfully. If possible, the agency should also provide the client with a phone number other than the main EAP line so clients with questions can get through;
- forms for obtaining income verification or a process for obtaining third-party verification from the Social Security Office, DFR Office, or employer;
- a pamphlet describing other available services such as Weatherization;
- an addressed return envelope; and
- a Right to Appeal form.

## **802.2                      Returned Packets**

When the household sends or takes back the application packet it should be date stamped, or the return envelope kept in the file. These packets should be processed on a first-return, first-serve basis. Completed mail-in applications, received before November 1, may be assigned the date received instead of the program start date. The ten day period to determine eligibility, however, will commence November 1, 2011.

## **802.3                      Incomplete Packets**

Incomplete packets should be followed-up immediately with a letter informing the client that:

- they have a certain number of days (at least ten business days) to return the proper information and/or verification;
- if the proper information or verification is not received in that designated time period then the client must come to the office for an appointment; failure to do so will result in a denied application.

- homebound clients, who were unable to complete the mail-in application, should be followed-up with a home visit if necessary; and
- clients should receive notification of their eligibility within ten (10) days of the agency receiving and approving the completed packet, but no sooner than November 1, 2011.

### **803 OUTREACH AND CONTINUED ACCESS TO ON-SITE APPLICATION**

Also, in order to reach those clients who did not apply during the previous EAP year, information should be made available throughout the community explaining the mail-in procedure, the mail-in target population, and a telephone number for acquiring a mail-in packet. IHCDA has designed a brochure for EAP and the Home Energy Conservation (Weatherization) Program. These brochures are available to agencies upon request. Mail-in applications remain a strongly recommended intake procedure.

Federal regulations mandate that walk-in sites be available for those clients who need crisis assistance, intake services, or help with completing their application. These sites must, of course, be available once the regular program begins.



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## SECTION 700

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After the third visit at the end of the 90 days, IHCD A will assess the agency's client eligibility review process. If corrective actions have been made to remedy the findings and concerns, the agency will be cleared from the QIP, and the monitoring period will be closed. If IHCD A finds that the agency is unable to successfully administer the client eligibility review process, then a funding determination will be assessed.

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## SECTION 900

### SUMMER COOLING ASSISTANCE PROGRAM

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The statewide Summer Cooling Assistance Program for FY 2012 will begin **June 4, 2012** and end **August 31, 2012**.

Unless otherwise specified below, the rules established for the EAP winter heating assistance program apply to the Summer Cooling program.

#### 901 ELIGIBILITY REQUIREMENTS

##### 901.1 Application and Eligibility Determination

Households that received FY 2012 winter heating benefits and did not have their electric utility included in rent are considered eligible for Summer Cooling Assistance based on the previously approved application. A further eligibility determination is not necessary.

The program is not restricted to households that received the prior winter's heating benefits. A household that did not receive heating benefits the prior winter must be determined eligible under the guidelines as a *new* applicant. *New* households may apply; however, CAAs may begin taking new applications on or after **July 9, 2012**.

Financial eligibility for a *new* Summer Cooling Assistance application will be determined based on the annually updated poverty level guidelines which are effective for EAP beginning June 1<sup>st</sup> of each year.

EAP applicants that change service areas before the start of the Summer Cooling program will have their benefits processed at the agency where their winter benefits were approved.

##### 901.2 Categorical Requirements and Cooling Benefits

All financially eligible households qualify for:

- a payment to their electric utility up to \$100,
- a room air conditioner, if certain medical conditions are met

The electric benefit is awarded to households that are responsible for an electric utility bill and will be paid directly to the electric utility vendor. A household whose electric utility was included in rent will be ineligible for a summer cool benefit. The amount of the electric benefit will be determined prior to the start of the Summer Cooling program and will be based on funding availability at that time. There will not be a direct payment made to households with electric included in their rent.

A room air conditioner may be awarded only to income eligible households that pay an electric bill and meet the medical conditions.

Eligible households may receive the above electric dollar benefit payment annually.

Summer Cooling Assistance benefits will be tracked using the Summer Cool line item on the budget (located in Appendix G). Each agency will be allocated a certain amount of administrative funds to supplement the operating costs for running the program. Summer Cool Administrative funds will be tracked using the budget line item labeled "Summer Cool Admin Funds".

### **901.3 Eligibility for an Air Conditioner**

Under certain limited circumstances, a household may be eligible to receive an air conditioning unit, *plus the monetary benefits above*. Except as noted, all three criteria must be met to receive an air conditioner.

1. The household must be financially eligible for the program as described above; and,
2. The household must have a verified medical requirement for an air conditioner. That is, a statement from a doctor or nurse practitioner that indicates a medical condition of a household member justifies the need for an air conditioner and that the lack of a room air conditioner in the household may seriously jeopardize the health of that person. IHODA has updated an Air Conditioner Certification Affidavit for use in FY 2012 and is located in Appendix T. It must be completed and signed in order to qualify for this benefit; and,

3. Using EAP program definitions, the household must be classified as at-risk: elderly, disabled, or have a child under the age of 6. (See Section 302.4)

Exception to #3: *If a household applies which does not meet the third criterion but the agency feels that it is a life-threatening situation, the CAA Program Manager may approve, by a written waiver, overriding the third criterion.*

A household will qualify for the air conditioner benefit no more than once every five (5) years, except in extreme circumstances such as a flood, tornado, or fire that caused the household to relocate. Households that received an air conditioner in FY 2007 or prior are eligible for an air conditioner in FY 2012.

## **902                    LIMITS TO THE VALUE OF PURCHASES**

The air conditioner purchase must be a 5,000 (minimum) BTU capacity unit, but not to exceed a cost of \$275. Further, the household must sign a statement that they will not sell or transfer their air conditioner for a period of five years.

It is required that agencies purchase Energy Star rated air conditioners. Exceptions must be approved in writing by the IHCD Program Administrator for EAP.

## **903                    INVENTORY**

It is important to purchase enough of a supply of air conditioners to accommodate the anticipated demand, as well as obtaining a volume based price. However, inventory should be limited to avoid storage costs. We suggest that agencies plan to have no more than 10% of their volume on hand to carry over as inventory for next year. Any warranty issues with the air conditioner unit must be handled between the client and the agency.

Agencies may also issue a merchandise credit from the vendor and allow the client to pick up the unit on their own. Any warranty issues with the



air conditioner should be handled between the client and the vendor. Agencies can run the vouchers using the RIAA system by accessing the reports function and selecting Cooling Assistance Vouchers.

The purchase of air conditioners will be tracked using the Summer Cool A/C Funds line item on the budget form (located in Appendix G). Agencies will submit a claim (not a transmittal) to IHCD for the air conditioner units purchased. The claim must be submitted on IHCD Online, and a copy of the purchase invoice must be provided as proof of purchase. This claim will be submitted through the agency's fiscal department, not the RIAA system.

To track air conditioners in RIAA, the agency will create a transmittal. The transmittal will list the payor as "Self" with zero dollars.

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## **SECTION 1000**

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### **LEVERAGING INCENTIVE PROGRAM**

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In 1992, federal legislation established the Leveraging Incentive Program to reward States under the Low-Income Home Energy Assistance Program (LIHEAP) that have acquired non-federal home energy resources for low-income households. Leveraging Incentive Program funds will be awarded to those CAAs that play an active role in developing or acquiring dollars that represent a net addition to the total energy resources available to the low-income in their areas.

#### **1001 LEVERAGING INCENTIVE AWARDS**

Under this program, Leveraging Incentive awards in one fiscal or program year (the award period) are based on countable leveraged resources that were provided to low-income households during the previous fiscal year (the base period). For example, the 2010 data is used to award the funds to the states in summer 2011. Those funds are then awarded to CAAs in their FY 2012 contracts.

States, territories, and tribes desiring Leveraging Incentive funds must submit an application each year - the federal "LIHEAP Leveraging Report" - that delineates the amount and types of leveraging activities they carried-out during the base period. HHS will then determine whether the reported activities meet the requirements of the statute and regulations, and therefore, are countable under the program for the purpose of determining allocation of the incentive award funds.

Once the State of Indiana receives a Leveraging award, it is allocated to the CAAs based on Leveraging activities that took place in their service area.

To date, funding has not been approved for the 2010 activities and will not be released for FY 2012 program activities.

#### **1002 COUNTABLE LEVERAGED RESOURCES**

Leveraged resources means the benefits made available to Indiana's Energy Assistance Program, or to households qualifying for the program, insofar as the benefit represents a net addition to the total energy resources for the low-income client, expanding the effect of their federal LIHEAP funding.

Note that the households who "qualify" in this instance include any that have an income up to the federally established limit of 150% of poverty, whether they were an EAP recipient or not.

#### **1002.1                                      Leveraged Utility Bill Assistance**

Any non-federal form of utility assistance to the low-income household may be reported by the agency as a leveraged resource. This would include assistance paid to or on behalf of a household by township trustees, local community organizations, churches, a landlord, or other individuals.

#### **1002.2                                      Utility Company Programs**

Any utility vendor programs which benefit the qualifying population can be evaluated and counted as leveraged funds. This may include utility company fee waivers, discounts, deposit waivers, arrearage forgiveness, and/or the value of any other household benefit provided.

Also included are home weatherizations or similar activities funded by utility companies. To the extent that labor and/or materials are provided by the utility company, the values can be counted as leveraged funds.

#### **1002.3                                      Fuel Fund Programs**

Various activities are used to establish local fuel assistance funds to benefit the low-income. Efforts such as NIPSCO's "Gift of Warmth" and Duke Energy's "Helping Hand", programs that reduce a low-income consumer's bill can be counted as leveraging activities. IHCD is able to gather information from the major investor owned utilities doing business in Indiana. Agencies should look for other local fuel funds established by rural co-ops, municipal utilities, and bulk fuel vendors in their service territory.

#### **1002.4                                      Donated/ Discounted Energy Related Items**

Any energy related items donated to an agency on behalf of qualifying households, or donated directly to the household, may be counted for

leveraging. Such items have included weatherization materials and energy efficient lighting. Other donated items may include space heaters, smoke alarms, windows, and doors.

Also, agencies may be able to obtain discounts on fans and air conditioners for the Summer Cooling Program. Even donated items such as blankets in the winter or Channel 6 fans in the summer may be counted. Another countable resource is the landlord's contribution to the weatherization of rental property.

To the extent that they are either donated or discounted, the value of these donated goods and services may be countable.

#### **1002.5 Fuel Discounts**

Anytime a lower price for utility costs for a low-income household can be negotiated, the difference between the current price and the lower discount price can be counted as leveraged. In 1997, the Energy Assistance Program's Summer Fill Program began. Because it is a slow business time for most bulk fuel vendors, summer is a prime opportunity for the local agencies to negotiate for the delivery of bulk fuels at a lower price. In this instance, the difference between the "regular" summer price and the negotiated price can be counted under leveraging.

### **1003 ALLOWABLE USES OF LEVERAGED FUNDS**

When the Leveraging Incentive Program awards are made to the states all of the funds are then distributed by IHCD to the CAAs based on the portion leveraged in each service area. The funds received by the local CAA must be used to maintain or increase benefits to low-income households as a part of the Energy Assistance Program.

Leveraged funds may *not* be used for administration or planning.

#### **1003.1 Utility Assistance**

Leveraged funds may be used to augment the regular energy assistance benefits: heating, crisis, cooling, or summer fill benefits. This may mean the expansion of the number of households served. But it may also include the awarding of funds to a household, over and above the amount of the regular and crisis benefits, whenever the local CAA feels it is warranted.



Funds may also be used to pay costs that are not eligible for payment under the regular EAP program (See Section 204). *This could include deposit and reconnect fees.*

- ✓ Leveraging incentive grants must be obligated no later than September 30, 2012, or the funds will revert to the federal government.
- ✓ For the 2012 Energy Assistance Program, the State of Indiana has not received a federal leveraging award
- ✓ For a possible 2013 leveraging award from HHS, agencies should submit their local leveraging information to IHCD no later than October 30, 2011. This information should cover activities from October 1, 2010 to September 30, 2011 or October 1, 2011 to September 30, 2012 in their service territory. The states have the option to choose which year presents the best leveraged case.

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## SECTION 1100

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### APPEALS PROCEDURE

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#### 1101 APPLICABILITY

The Energy Assistance Program appeals procedure is required and must be communicated to households:

- A. whose assistance has been denied; or,
- B. whose application has not been processed in a timely manner and who has not received written notification of approval or denial within ten (10) days of the completed application; or,
- C. whose benefit has not been received within ninety (90) days of application if direct pay or one hundred twenty days (120) if utility pay.

#### 1102 APPEALS PROCEDURE

The Appeals Procedure begins at the local level with an informal process designed to settle most problems through a review of the facts and resolution of the issues. This process can include assistance from the Indiana Housing and Community Development Authority. If the informal process does not resolve the matter there is a subsequent process whereby the complainant may ultimately have a formal hearing of the matter.

##### 1102.1 Informal Review Process

1. The CAA must provide **written notification** of approval or denial to all households for Energy Assistance within ten (10) working days of the household's completed and processed application. The notification must include the household's right to appeal that determination.
2. If the applicant is not satisfied with any determination by the Program Director of the CAA, he/she may submit a written or oral request to the CAA for a review of the determination. The Executive Director or their designee shall make the determination of the applicants' eligibility on review within ten (10) working days of the applicants' request.

3. If the applicant is still not satisfied with the determination after review by the Executive Director, he/she may request review by the State. This request may be made by submitting the **APPLICANT NOTIFICATION FORM** to IHCD. If an applicant needs assistance with this procedure, they may call the IHCD at 1-800-872-0371.
4. Upon a request for State review, the CAA will forward the household's application, the written notification of the household's denial, and other pertinent documentation to the IHCD's EAP and CSBG Program Manager.
5. The EAP and CSBG Program Manager and/or their designee from IHCD will review the materials submitted and issue a written finding to the applicant and the CAA, based on the documentation submitted.

#### **1102.2**

#### **Formal Appeal and Hearing**

1. If the applicant disagrees with the determination of the State EAP and CSBG Program Manager, the applicant has the right to appeal to the Executive Director of the Indiana Housing and Community Development Authority for an evidentiary hearing. The applicant must request this appeal within thirty (30) days of being notified of the State's decision. IHCD will alert the CAA of the pending formal appeal. Requests for a formal appeal should be sent to the attention of:

Sherry Seiwert  
Executive Director  
Indiana Housing and Community Development Authority  
30 South Meridian Street  
Suite 1000  
Indianapolis, Indiana 46204

2. The Executive Director shall designate an impartial Administrative Law Judge who has not participated in any prior decision with regard to the applicant.
3. The hearing will be scheduled promptly and held in a place reasonably convenient to the applicant, at the IHCD office, or by telephone.

4. The applicant shall be afforded the opportunity to review all documentation submitted to the IHCDA for consideration.

The applicant may:

- a. have a representative accompany him/her to the hearing;
  - b. be allowed to present written and oral evidence in support of his/her claim;
  - c. have witnesses subpoenaed;
  - d. cross-examine witnesses; and
  - e. bring an interpreter, if needed.
5. Testimony will be given under oath.
  6. The hearing will be recorded and the decision based on the record.

At the time of the appeal, the benefit in question will be considered as obligated until such time as the appeal is resolved. If the appeal is successful, the CAA will pay the benefit amount to the appropriate household or vendor. If the appeal is unsuccessful the funds will revert to the program.

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## SECTION 1200

### CAA BUDGETS AND REPORTS

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As a condition for receiving the LIHEAP block grant, the State of Indiana is required to account for the expenditure of those grant funds. The subcontracting network, the Community Action Agencies, participates in this process by providing fiscal and statistical information.

#### 1201 BUDGETS

The Energy Assistance Program budget should be submitted by each CAA to the Indiana Housing and Community Development Authority (IHCDA) at the time of initiation of the annual contract, its renewal, or upon a change of funding notification from IHCDA. The budget is effective October 1<sup>st</sup> through September 30<sup>th</sup>, each year. IHCDA will approve all budgets and subsequent modifications.

The Leveraging Incentive Program Budget is also included, but on a separate budget page, if Indiana is awarded these funds.

(See Appendix G for the EAP budget forms and specific instructions.)

As of September 1, 2011, the LIHEAP allocation had not been approved by Congress.

The allocation formula for 2012 EAP funds to the Community Action Agencies will be based on the same percentages as the last nine years. If the federal appropriation exceeds the current projected amount, IHCDA will distribute these additional funds on an as needed basis.

The Energy Assistance Program budget categories have been modified to include the Summer Cooling Assistance Program. Changes were initiated in FY 2005 upon advisement of the EAP Advisory Committee, feedback from the Indiana Community Action Association and an internal review of the LIHEAP contracting structure. Eligibility (Administrative Costs) will again be reimbursed at up to nine percent (9%) of the total agency expenditures. Program Support will be reimbursed at up to three percent (3%) of the total budget. **However, the total expenditures of Eligibility (.1) + Program Support (.2) +**

**Family Development (.9) may not exceed twelve (12%) of the total budget.** A line item will remain for Family Development activities and reimbursed at up to two percent (2%) of the total budget.

CAAs will be reimbursed \$25.00 per hour of Energy Education provided to an EAP household member(s) in a classroom or in-home setting. CAAs may budget and draw funds for the Materials and Supplies line item to supplement the overall energy education curriculum. Subsequent case management (Family Development) provided with an emphasis on energy conservation will also be reimbursed at \$25.00 per professional hour. Client benefits will be reimbursed on an actual cost basis.

Two new line items were added for the Summer Cooling Assistance Program. Agencies can budget their administrative funds using Summer Cool Admin Funds (.11) and the purchase and distribution of air conditioners (.12).

The line item descriptions will again look like this:

1. Eligibility	Actual Cost
2. Program Support	Actual Cost
3. Energy Education	\$25.00/Hour of Service
4. Regular Assistance	Actual Cost
5. Crisis Assistance	Actual Cost
6. Summer Cooling Assistance	Actual Cost
9. Family Development	\$25.00/Hour of Service
10. Energy Ed. Materials/Supp.	Actual Cost
11. Summer Cool Admin Funds	Actual Cost
12. Summer Cool A/C Funds	Actual Cost

#### **1201.1 Eligibility (Administrative Costs)**

Eligibility costs will cover overall administration of the program. Eligibility costs are defined as the agency costs for intake and eligibility determination and other associated costs

Agencies may budget and use up to nine percent (9%) of its total EAP budget for Eligibility. Any other federal dollars used in the administration of EAP *must be included* against this limit.

#### **Eligibility line items:**

**.1 Eligibility (Administration) (no more than 9% of total expenses may be claimed)**

- EAP administrative functions, including fiscal, executive, and support operations.
- EAP Program intake functions, including eligibility determination and verification, application processing, and transmittal processing.
- Costs such as rent, utilities, and supplies etc. that are directly associated with staff costs in the Administration category.

**1201.2 Program Support Costs**

Program Support is a non-administrative line item intended to be used for line staff costs, which are not strictly associated with intake and eligibility determination. Agencies may budget and use up to three percent (3%) of total EAP dollars in this line item. Other federal dollars may subsidize this non-administrative category without any affect on this limit.

**Program Support line items:**

**.2 Program Support (no more than 3% of total budget)**

- Costs associated with program outreach including dissemination of program information, information on and referral to other programs, and staffing of outreach sites.
- Referrals to other agencies, assistance in budgeting for utilities, short-term case work, coordination of benefits on behalf of a household.
- Case work in response to a household's energy emergency, including all Crises related activities, such as intervention with utility companies, negotiation with township trustees or other agencies on behalf of a household.
- Costs such as rent, utilities, and supplies directly associated with staff costs in the Program Support category.
- This includes all expenses related to maintenance of seasonal outreach sites.

**1201.3 Energy Education Costs**

Agencies may budget and use up to four percent (4%) of their total EAP dollars among the Energy Education (.3), and Energy Education/Materials and Supplies (.11) line item categories.

The Department of Energy and the Indiana Weatherization Assistance Program stress client education as a mandatory measure under the audit priority list. Knowledge about energy use and basic home conservation is part of the intake process and continued throughout the weatherization process.

Four percent (4%) of allowable LIHEAP weatherization funds will be "borrowed" back and used for EAP client energy education and associated costs.

The Energy Education line item includes the continuation of the Energy Education Project, which began in FY 2003.

*Energy Education - An energy education session will be conducted for EAP clients in a classroom, or in-home setting. Sessions may be conducted in the office or any other appropriate setting such as Senior Centers, Head Start parent groups, Public Housing Authorities, utility offices, schools, etc. You may claim one \$25.00 payment per EAP approved eligible household within the Energy Education Project classroom component.*

Other guidelines include:

- ✓ In order to receive payment, the household must be EAP approved;
- ✓ The client must complete a sign-in sheet to serve as verification of attendance. A copy must be kept in each client's file or in a master file;
- ✓ The contents of the 2011 kit have not been determined as of the time of the EAP fall trainings. IHCD plans to continue working with Niagara Conservation in providing a useable and cost efficient package to distribute to EAP households.

Further notes:

- ✓ The energy curriculum was developed by Quantec LLC, in conjunction with the State and may be used by the CAAs for the classroom training. Emphasis should be placed on the discussion points in the Quantec presentation in order to be client interactive.
- ✓ CAAs may also experiment with their own design of an energy conservation class. CAAs that choose to do so may consult with



IHCDA on curriculum contents and should have written training lessons available for IHCDA review.

- ✓ Agencies may purchase necessary materials and supplies (.10).

**Energy Education line item:**

**.3 Energy Education \$25.00/Hour of Service**

- Cost reimbursement for successfully teaching a one-period energy conservation class with an EAP household member. There is a one-time reimbursement per household per year.

**1201.4      Benefit Costs**

Funds for benefits are allocated among Regular Heating Assistance, Crisis Heating Assistance, Summer Cooling Assistance, and Summer Fill Assistance. Benefit costs should be budgeted based on the agency's historical expenditures, weather projections, and fuel cost projections. Other federal dollars may subsidize this non-administrative category.

Although agencies may move funds from one benefit line item to another throughout the year, some funding should be maintained in heating and crisis components beyond March 15<sup>th</sup> and cool and fill components through mid-summer **if possible**.

**Benefit line items:**

**.4 Heating Assistance:** Heating benefit costs budgeted for payment to utility vendors on behalf of eligible clients.

**.5 Crisis Assistance:** Crisis benefit costs budgeted for payment to utility vendors on behalf of eligible clients. Agencies must budget on this line item. The recommended amount is 3%, or the agency may use a historical basis for budgeting. Funds should be maintained in the Crisis line item through March 15<sup>th</sup>, if possible, when they can be moved to other line items.

**.6 Summer Cooling Assistance:** Cooling costs budgeted for payment to electric vendors, or for air conditioners to eligible clients.

**1201.5      Family Development**

“Assurance 16” refers to the section of the LIHEAP statute in which the state assured the federal government that the program will:

“provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessment, counseling, and assistance with energy vendors...”

Agencies may budget and use up to two percent (2%) of their total EAP dollars in the Family Development category. Other federal dollars may subsidize this non-administrative category without any affect on this limit.

In order to continue to support the Family Development Program, after the client has completed the energy classroom session, they are eligible for further case management services, using the Family Development matrix, **with an emphasis on energy conservation**. Clients currently in Family Development must attend the energy education session for the agency to be able to continue to claim against this line item for case management activities. The agency will be reimbursed \$25.00 per hour of service, per household, for continuing the holistic approach under Assurance 16 by a Family Development Specialist. Document in the case file any Family Development activities and related costs. Agencies must be capable of reporting the number of participant families to the State.

#### **Family Development line item:**

##### **.9 Family Development \$25.00 / Hour of Service**

- Costs associated with short-term, intermediate, or long-term case management intervention with an EAP household. Including needs assessment and energy counseling within the Family Development Plan using the matrix score sheet.

##### **1201.6 Conservation Action Kit**

Starting FY2012, conservation action kits will not be purchased as a part of energy education.

##### **1201.7 Energy Education/Materials and Supplies**

In order to properly conduct Energy Education classroom sessions, additional materials and supplies may be necessary. Agencies may also

want to enhance their presentation with educational material not otherwise provided.

Budgeting reminder:

- ✓ The combined total of .3 (energy education) + .11 (energy education/materials and supplies) cannot exceed four percent (4%) of the total EAP budget.

### **Energy Education/Materials and Supplies line item**

#### **.11 Energy Education/Materials and Supplies**

- Costs associated with materials and supplies needed to conduct the EAP Energy Education Project. Costs may include, but are not limited to, paper, pens, client survey forms, conservation materials and pamphlets and brochures, and other items normally associated with a classroom learning experience.

## **1202 REPORTING**

### **1202.1 Weekly Cumulative Call-In Report**

Every week, CAAs are required to report current information on the progress of their Energy Assistance Program. The required reports will begin following the first week of the program in October. Again, all reports should be completed using the Roeing Initial Assistance Application (RIAA). IHCD has access to these reports in RIAA, therefore, no reports need not be faxed or otherwise electronically submitted to IHCD.

The template for the weekly report remains as follows:

#### **WEEKLY REPORT**

Agency Name	Report Ending
CAA Person Reporting	Date/Time of Report
HCS Person reporting	Projected Ending Date

### **Heating Assistance**

Budgeted amount  
Funds obligated to-date  
Total number of households served

**Crisis Assistance**

Budgeted amount  
Funds obligated to-date  
Total number of households served

**Leveraging Incentive Program**

Total Leveraging Budget  
  
Funds obligated to-date for **Heating Assistance**  
Total number of HHs receiving **Heating Assistance**  
  
Funds obligated to-date for **Crisis Assistance**  
Total number of HHs receiving **Crisis Assistance**  
  
Funds obligated to date for **Summer Cool**  
Total number of HHs receiving **Summer Cool**  
  
Number of fans distributed

**Summer Cool**

Budgeted amount  
Funds obligated to date  
Total number of HHs served  
  
Number of fans distributed (Channel 6 Fan Club)  
Number of air conditioners distributed  
Number of households receiving electric benefit

**Other Amounts**

Energy Education budgeted amount

Energy Education kits purchased  
Energy Education kits distributed

### **Applications**

For the week ending:      Year to date:

Approved	Approved
Incomplete	Incomplete
On Appeal	On Appeal
Denied	Denied

All numbers reported should be cumulative. By providing year-to-date data, all adjustments made, i.e., reduction in amount obligated due to a client's ineligibility, will be included in your most recent report.

While we understand that it is difficult to project the ending date of your agency's program, please try to estimate that date beginning in January 2011. This date can be modified, as needed.

The word "obligated" means those funds, which have been committed to approved clients. It should include *every* benefit dollar awarded, not just those benefits which have been paid-to-date. It is very important that the figures reported are inclusive of all applications, even those which are pending the appeals process.

We strongly recommend that more than one person within your agency be able to provide this weekly information. In the event that the person who regularly submits the report is not available (i.e., vacation, sickness, etc.) a substitute is expected to report the figures.

### **1202.2      Quarterly Reports**

The cumulative LIHEAP Quarterly Report should be updated four times a year, again through RIAA. A separate report on the number of TANF clients receiving EAP benefits is no longer requested by the FSSA Data Warehouse. A final EAP budget and the fiscal close out are submitted after the close of the contract but no later than November 30<sup>th</sup>..

<b>ENERGY ASSISTANCE YEAR 2011 REPORT SCHEDULE</b>			
<b>Due Date</b>	<b>Quarterly Report</b>	<b>TANF Report</b>	<b>EAP Fiscal</b>
10/01/11	No	No	Yes, Year 2012 budget(s) submitted to IHCD. Beginning of federal fiscal year and EAP contract year
11/01/11	No	No	Yes, Leveraging Activities Report submitted to IHCD
1/01/12	Yes, for the Oct-Dec period.	No	No
4/01/12	Yes, for the Oct-Mar period.	No	No
7/01/12	Yes, for the Oct-Jun period.	No	No
10/01/12	Yes, for the Oct-Sep period.	No	No
11/15/12	No	No	Yes, final budget modification due 45 days after contract ends.
11/30/12	No	No	Yes, fiscal close out report is due 60 days after contract ends.

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## SECTION 1300

### SPECIAL PROJECTS

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#### 1301 UNIVERSAL SERVICE PROGRAM (USP)

*The USP was renewed in November 2009 through October 31, 2012.*

The Universal Service Program (USP) is the result of an agreement among Vectren Energy Delivery of Indiana and Citizens Energy Group in Indianapolis, the Indiana Office of Utility Consumer Counselor, the Citizens Action Coalition of Indiana, the State of Indiana and a group of manufacturing and health providers. On August 18, 2004 the Indiana Utility Regulatory Commission (IURC) approved a two-year pilot program to help low-income natural gas customers by providing reduced bills and promoting energy efficiency and conservation.

Eligible customers who have applied for the Energy Assistance Program (EAP) through their local Community Action Agency will automatically be enrolled in the new USP and will receive monthly utility bill reductions during the months of December through May in addition to their EAP assistance benefit. The amount of the monthly bill reduction will vary among EAP clients. For qualifying Vectren customers, monthly bill reductions will likely range between 15 to 32% of the total bill (not including EAP benefits). For qualifying Citizens customers, monthly bill reductions will range from 10% to 15% of the total bill (not including EAP benefits).

To qualify for USP, a client must meet the following criteria:

- Enroll in and be eligible for assistance from EAP;
- Their account must be designated for residential gas heating;
- They must reside at the service address; and
- There must be only one account in the client's name.

Approximately 56,000 Vectren and Citizens customers are expected to participate in the USP program. After tracking the efficiency of the program, the IURC and parties to the agreement will review to determine whether to make it permanent.

The USP will also provide additional funding to Vectren and Citizens customers in the form of crisis assistance programs, which target qualified low-income and working poor households that need additional help to get reconnected and/or maintain heat throughout the upcoming winter. The programs will provide assistance to households up to 200% of the poverty level who might not otherwise be available for traditional assistance.

Northern Indiana Public Service Company (NIPSCO) will also continue its Winter Warmth Program in conjunction with revisions made by the Indiana Utility Regulatory Commission.

### **1302 FAMILY DEVELOPMENT PROGRAM**

A new program was implemented on April 1, 2000, entitled the Family Development Program. The premise of the Family Development Program is that the provision of intensive case management services will increase the long-term stability of low-income families. The Family Development Program is a means by which to strengthen the family by providing guidance and support to address issues that impede self-sufficiency. Like in the 1997 REACH Program, Action Plans were developed to effectively address most needs and/or concerns of the familial unit that might impede stability or independence. A Matrix score sheet kept track of the achievements of the family.

Indiana has updated the Family Development Program, including the Action Plan and the Matrix for use in other programs. The goal is to make these evaluation tools less subjective and more users friendly.

The Family Development Plan Matrix, with an emphasis on energy conservation, should be used with EAP clients who continue in case management after attending the energy conservation class.

### **1303 Hoosier Healthwise**

Hoosier Healthwise is a health insurance program for Indiana children, pregnant women, and low-income families. Health care is provided at little or no cost to Indiana families enrolled in the program. The enrolled member chooses a doctor to get regular checkups and health care for illnesses. Other health needs such as prescriptions, dental care, vision care, family planning services, and mental health services are also available as part of the Hoosier Healthwise program.



Call **1-800-889-9949** to get information about the Hoosier Healthwise program.

### **1304 HoosierRx**

Indiana's State Pharmaceutical Assistance Program, Hoosier Rx, can help pay the monthly Part D premium, up to \$70 per month, for members enrolled in a Medicare Part D Plan working with Hoosier Rx.

**To be eligible for the HoosierRx program you must:**

- Be 65 years or older;
- Reside in Indiana permanently;
- Have a yearly income of \$15,840 or less for a single person; or \$21,240 or less for a married couple living together;
- Have applied for the "Medicare Extra Help" through Social Security to pay for your Medicare Part D plan, and received either a "Notice of Award" or "Notice of Denial" from Social Security;
- Your Social Security "Notice of Denial" must be because your **resources are above the limit established by law.**
- Your Social Security "Notice of Award" must state that you are receiving **partial extra help** subsidy to help pay for your Medicare Part D premium.

If you think a client meets these eligibility requirements, they should call a Hoosier Rx representative at 1-866-267-4679 or visit the Hoosier Rx website at [www.IN.gov/HoosierRx](http://www.IN.gov/HoosierRx).

Companies offering Prescription Drug Plans working with Hoosier Rx: AARP/United Healthcare, CIGNA Healthcare, Coventry Advance Rx, First Health, Humana, MemberHealth, Prescription Pathway, SilverScript, and WellCare.

### **1305 Lifeline/Link-Up**

Lifeline provides a monthly discount on basic local telephone service for eligible consumers. The Lifeline program is available for only one phone line per eligible home.

Link-Up provides eligible consumers with discounts on connection charges for new local telephone service and may enable clients to

finance a portion of the connection charges interest-free for one year. The discount is available for only one telephone line per eligible home.

A simple application is available from your local telephone company or online from the Indiana Office of Utility Consumer Counselor. When returning the completed application to your phone company, the client must include documentation that they participate in EAP.

A consumer enrolled in EAP may be eligible if:

- The telephone service is listed in the clients name;
- The client is not a dependent on another person's tax return;
- The telephone service must be for the primary residence.

For more information, contact the Indiana Office of Utility Counselor. Their web site is [www.in.gov/oucc](http://www.in.gov/oucc).